

Date: August 28, 2019

The Listing Dept.,
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

The Listing Dept.,
The National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai – 400 051

Dear Sir/Madam,

Sub: Annual Report for the financial year 2018-19 along with the Notice of 20th Annual General Meeting.
Ref: Regulation 30 & 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
Scrip Code: BSE – 532801; NSE – CTE

We wish to inform you that the 20th Annual General Meeting of the Members of Cambridge Technology Enterprises Limited will be held on Monday, September 23, 2019, at 12.00 PM (noon) at Hotel Dasapalla, Summit hall (Lobby Level), Road # 37, Jubilee Hills, Hyderabad – 500033, Telangana State, India.

In terms of Regulation 30 & 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we submit herewith a copy of Annual Report for the financial year 2018-19 along with the Notice convening the 20th Annual General Meeting of the Company. The same will be available on the website of Company at www.ctepl.com.

We request you to take the above information on record.

Thanking you,
Yours faithfully,

For Cambridge Technology Enterprises Limited


Ashish Bhattad
(Company Secretary & Compliance Officer)



Encl: As above

Registered & Corporate Office:

Cambridge Technology Enterprises Ltd.
Unit No 04 - 03, Level 4, Block 1
Cyber Pearl, Hitec City, Madhapur
Hyderabad - 500 081, Telangana, India.
Tel: +91-40-4023-4400
Fax: +91-40-4023-4600
Email id: investors@ctepl.com

Bengaluru

Vakil Square Unit #1, Rear wing
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Bangalore - 560 076, Karnataka,
India.
Tel: +91-80-4633-4400
Fax: +91-80-4299-5779

Mumbai

Level 4, A Wing, Dynasty Business Park
Andheri Kurla Road, Andheri (E)
Mumbai - 400 059, Maharashtra, India.
Tel: +91-22-6786-9410
Fax: +91-22-6786-9199

Chennai

AMARA SRI, situated at Old
No. 313, New No.455 Block
No.75, 7th Floor, Anna Salai
Teynampet, Chennai 600018,
Tamilnadu, India.
Tel: +91-40-4023-4400,

IN A POSITIVE LIGHT
WITH A STRONG FOUNDATION ON
DELIVERY & AI













ANNUAL REPORT
2019

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CHAIRMAN'S LETTER TO THE SHAREHOLDERS



Dear Shareholders,

The client eco system is changing at a rapid pace. Enterprise clients are the ones who are facing disruption whereas new age clients are the ones who are disrupting businesses with their innovation.

The good part is all clients are looking at investing in technology to approach the future with an edge to take advantage of AI to re-invent and innovate.

Over the last few years, we were focused on building the right capacity and capability to partner with clients and drive value to them. For instance, we are differentiated from more than 10,000 AWS partners globally by achieving competencies in Big Data, DevOps, Oracle and Managed Services Provider.

We have achieved significant success in building the foundation with growth in employee strength, certified workforce, partnerships and marquee clientele who are leaders in their verticals. We have built a business that is generating good margins as demonstrated by our PAT margins, which have increased by 876 basis points over the last four years.

FY20 is the year in which we will focus on growth and profitability. The company is confident of staying innovative amid the fastest pace of transformation with its strong focus on delivery and AI. It aims to consolidate innovation, skills and delivery for best customer value.

We are excited to enter into our next phase of growth. Our trained employees, deep delivery capabilities, technological expertise, client interests demonstrated by exciting new projects and opportunities show us the path we need to take. With a strong foundation on delivery and AI, we are in a positive light to deliver growth.

I would like to take this opportunity to thank our shareholders, clients, employees and partners for reposing their trust and confidence on us in this journey.

Aashish Kalra
Chairman & CEO



Board of Directors

Aashish Kalra

Chairman & CEO

Aashish Kalra is the Chairman & CEO of Cambridge Technology Enterprises Limited (CT). He has dedicated his career to creating and investing in successful and socially conscious ventures in technology, real estate, energy, logistics and hospitality on a global basis. As the Chairman of CT, he foresees the global operations of the company, providing vision and leadership to the company.

Earlier as a Co-founder of Cambridge Samsung Resources, a leading systems integrator, he concluded successful partnerships with Hewlett-Packard, Marubeni, NEC and other global 1000 companies. He has been consistently quoted in leading Indian and International media and was featured in the "Young Turks" program on CNBC. In 2008, he was named one of the "Outstanding 50 Asian Americans in Business".

Aashish holds a Master's degree in International Finance from Brandeis University, Waltham, USA. He did his thesis on the Japanese Financial System at Sophia University, Tokyo, Japan.

Dharani Raghurama Swaroop

Whole-Time Director

Dharani Raghurama Swaroop heads the overall operations in India and is responsible for the corporate governance and statutory compliances-related aspects of CT. Prior to his association with CT, Swaroop co-founded a successful IT systems integration company comprising of more than 150 personnel. He is a member of the following Committees of the board of the company viz., Audit Committee and Stakeholders Relationship Committee and CSR Committee. Swaroop holds an Electrical Engineering degree from Jawaharlal Nehru Technological University, India.

Stefan Hetges

Director

Stefan joined CT as a part of the acquisition of smartShift, the leading provider of tool-based modernization of complex IT systems. Stefan started his career as a consultant at Cambridge Technology Group. In 2001, Stefan acquired the assets of i-Cube from Razorfish in a management buyout and formed smartShift. Stefan has a Masters in Computer from University of Constance.

Venkat Motaparthy

Independent Director

Venkat Motaparthy has over 31 years' experience in the Indian and international markets. Venkat was the former CEO of NTR Memorial Trust and is presently the President of VKR College, Gannavaram. He is the President of General and Technical Education Society, Gudivada. He is actively associated with industry associations like FAPCCI, IALA and Non-Profit Organization – Anokhi Aasha. He is a member of the Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee of the board of the company. He occupies the Chairmanship in Audit Committee. He is a Post Graduate in management.

K. Jayalakshmi Kumari

Independent Director

With a deep passion for teaching, Dr. Jayalakshmi Kumari brings 16 years of experience from the educational sector having worked for leading schools and colleges in Hyderabad. Presently, she is working with the Nalanda Educational Society as a faculty in the field of social sciences. With proven ability to constantly challenge and improve existing processes and systems, she has been participating and rendering voluntary services to many social organizations. Dr. Jayalakshmi Kumari has a Ph.D. in social sciences, an M.A in Economics, M.A in Political Science, M.Phil. and M.Ed. She is a member of the Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee and CSR Committee of the Board.

Dr. Usha Srikanth

Independent Director

Dr. Usha Srikanth brings over 31 years of technological and management experience from some of the world's largest and most respected software enterprises like Hewlett Packard, Persistent Systems, Agilent, Approva Systems, EDS. She sits on the advisory board of IIT, BBSR, IOT Based Entrepreneur Partnership for NASSCOM 10K, T-HUB Start-ups with IIT/ IIIT. Dr. Usha Srikanth also holds a U.S. patent for a knowledge acquisition system that deciphers photolithography defects. She is a Masters in Physics from IIT, New Delhi and a Masters in Electrical and Computer Engineering from University of Illinois. She holds a PhD in Electrical Engineering from Cornell University, USA.



Management Team

Aashish Kalra

Chairman & CEO

Aashish Kalra is the Chairman & CEO of Cambridge Technology Enterprises Limited (CT). He has dedicated his career to creating and investing in successful and socially conscious ventures in technology, real estate, energy, logistics and hospitality on a global basis. As the Chairman of CT, he foresees the global operations of the company, providing vision and leadership to the company.

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Whole-time Director

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C S Leeladhar

Chief Financial Officer

Leeladhar is a qualified Chartered Accountant (CA) and Cost & Works Accountant (CWA) with over 26 years of experience in logistics, petroleum, EPC, IT, ITES, manufacturing and trading sectors. His areas of expertise are corporate finance, IPO, Mergers & acquisitions, MIS, US GAAP, and taxation. He worked with companies like M/s. Central India Polysters Ltd, LGS global, Shell petroleum, Sujana Towers, Gold Stone Group, Seaways Shipping & Logistics Ltd and Tenny Jose Ltd in the past.

Dr. Rajan Lukose

CTO & Chief Data Scientist

Dr. Rajan Lukose is the CTO & Chief Data Scientist at CT. He brings over 11 years of experience as a Senior Research Scientist at Hewlett Packard Laboratories and Xerox Palo Alto Research Center. He has over 25 patents registered in his name and has several laurels including an IBM award in Computational Finance. He has over 20 publications like 'Learning User Purchase Intent from User-Centric Data', 'Local Search in Unstructured Networks', 'An Economic Approach to Hard Computational Problems'. He received a PhD in Physics from Stanford University and had done his thesis on 'Internet Dynamics'.

Nitin Tyagi

Vice President – Enterprise Solutions

Nitin Tyagi has over 17 years of professional global experience in the software industry and successfully led multiple consulting, client services, sales and delivery roles across companies. He heads the technical delivery in USA for Cloud Computing, Service-Oriented Architecture (SOA), Business Intelligence and Data Warehousing, with a focus on delivery of enterprise products. Nitin oversees global delivery teams, works with global business teams and is the client partner of large strategic accounts. Prior to joining CT, Nitin led engineering, development, and commercial production efforts of ZDK-7100 Series Irdeto set-top boxes for Zintech Holding, B.V., Netherlands, a consumer electronic solution provider. Nitin holds a Masters in Computer Sciences.

Sudip Kar

Vice President – Delivery

Sudip Kar joined CT in 2003 to lead and implement enterprise software and cloud development projects using global delivery model. He manages and nurtures the relationship of most of the large strategic clients of CT in the United States. He helped CT attain and maintain CMMi level 5, arguably the highest level in maturity framework in the world. He heads the delivery and client management from various CT locations in the world, servicing the Company's U.S, EU and India based customers. He also heads the PMO – the quality and delivery monitoring unit of CT. Prior to joining CT he was a founding member of a USA based start-up in San Francisco Bay Area, and successfully merged its technology with a French conglomerate. Over his 23 years of experience in IT industry, Sudip worked both in India and the USA for various companies like HCL, HP and Delsoft. Sudip holds a degree in Computer Science and Engineering from Jadavpur University.

Hanumant Bhansali

Manager – Corporate Finance & Head – Investor Relations

Hanumant Bhansali has 9 plus years of experience of working in Investment Banking, Corporate Finance & Investor Relations. He brings in end-to-end transaction execution capabilities coupled with incisive business and financial analysis. Prior to CT, Hanumant has contributed in Tata Consultancy Services, Seagull and Nine Rivers Capital. He has executed transactions across a range of sectors like Textiles, Healthcare, Automotive Components, Specialty Chemicals, Education, Theme Park, Powder Metallurgy, Solar in Fund Raising, M&A advisory & Strategy. He is a MBA in Finance from Welingkar Institute of Management and B.Tech from JNTU.

Alan Roth

General Counsel

Alan Roth's wide and deep experience with closely and publicly-held, well-established and start-up, for-profit and non-profit businesses in many industries has enabled him to consistently close deals for his clients on the best possible terms. Alan graduated Amherst College magna cum laude. He holds a Master's in Journalism from Columbia University and took his JD at Stanford Law School.



Directors' Report

REPORT OF THE DIRECTORS**DEAR MEMBERS,**

Your Directors present their report together with the audited financial statements for the year ended March 31, 2019.

FINANCIAL PERFORMANCE/SUMMARY**(INR in Crores)**

Particulars	Standalone		Consolidated	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue from operations	36.66	63.05	102.55	99.10
Total Expenses	34.28	59.06	84.11	87.42
Profit Before Tax	2.79	4.53	19.78	12.22
Profit After Tax	1.95	3.45	18.85	12.91
Total Comprehensive Income	1.55	3.37	4.05	10.34
Reserves & Surplus	13.69	12.11	41.53	37.36

REVIEW OF OPERATIONS / STATE OF COMPANY'S AFFAIRS FOR THE FY 2018 - 19

During the financial year under review, your Company's revenue declined by 42% on a Standalone basis. On standalone basis, revenue from operations of your company for the financial year ended March 31, 2019 is INR 36.66 crores ("cr") as compared to INR 63.05 cr for the financial year ended March 31, 2018. Profit after tax decreased by 43% to INR 1.95 cr for the year ended 31st March 2019 as compared to INR 3.45 cr for the same period last year. Similarly, total comprehensive income decreased by 54% to INR 1.55 crores for the year ended 31st March, 2019 as compared to INR 3.37 crores for the same period last year. Reserves and Surplus have increased from INR 12.11 crores in FY 2017-18 to INR 13.69 crores in FY 2018-19.

Further, on consolidated basis, total revenue from operations of your company increased by 3.5% to INR 102.55 cr as compared to the previous year's total revenue of INR 99.10 cr. Profit after tax increased by 46% to INR 18.85 cr for the year ended 31st March 2019 as compared to INR 12.91 cr for the same period last year. Total comprehensive income decreased by 61% to INR 4.05 cr for the year ended 31st March, 2019 as compared to INR 10.34 cr for the same period last year. Reserves and Surplus have increased from INR 37.36 cr in FY 2017-18 to INR 41.53 cr in FY 2018-19.

The Company has adopted Ind AS from 1st April, 2017. The audited financial statements (both standalone and consolidated) prepared in accordance with Section 129 and Section 133 of the Companies Act, 2013 read with the rules made thereunder and applicable Indian Accounting Standards (Ind AS) along with the Auditor's Report form part of this Annual Report.

As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and separate accounts of each of its subsidiaries are available on the website of the company i.e., www.ctepl.com. These documents will also be available for inspection during the business hours at the registered office of the Company.

REPORT ON SUBSIDIARIES

As on March 31, 2019, the Company has 4 wholly-owned subsidiaries viz., Cambridge Technology Inc., USA, Cambridge Technology Investments Pte. Ltd., Singapore, Cambridge Bizserve Private Limited & Cambridge Innovations Private Limited and 3 step-down subsidiaries viz., M/s Cambridge Innovation Capital LLC, USA, M/s Cambridge Bizserve Inc., Phillipines and M/s Cloud Computing Global Pte Ltd., Singapore.

M/s Kupfer Management Pte Limited, Singapore, ceased to be Step – down Subsidiary of the Company during the year.

Highlights of Performance

Cambridge Technology Inc., USA, had revenue from operations of INR 49.86 cr during the year as compared to INR 67.86 cr revenue during the previous financial year. The net loss is INR 34.49 cr in FY 2018-19 as compared to net profit of INR 10.04 cr in FY 2017-18. The contribution of Cambridge Technology Inc., USA to the overall performance of the company

is in the form of revenue, earned by the company by rendering its services amounting to INR 29.02 cr. Cambridge Innovation Capital LLC, USA, a step – down subsidiary company had revenue from operations of INR 60.99 cr as on March 31, 2019 as compared to nil revenue from its operations as on March 31, 2018. The net profit as on March 31, 2019 is INR 37.09 cr. Cambridge Technology Investments Pte. Ltd, Singapore had net loss of INR 3.62 lakhs during the year as compared net profit of INR 4.95 lakhs during the previous financial year. It had no revenue from operations during the year. Cambridge Bizserve Inc, a step – down subsidiary company had revenue from operations of INR 1.18 cr and net loss of INR 1.19 cr as on March 31, 2019

Cambridge Bizserve Private Limited & Cambridge Innovations Private Limited, wholly – owned subsidiary companies, and Cloud Computing Global Pte Ltd, step – down subsidiary company has not commenced its operations as on March 31, 2019.

Further, as per provisions of section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statement of our subsidiaries i.e., a report on the financial performance and financial position of the company's subsidiaries is provided in the prescribed format AOC-1 appended as **Annexure - 1** to the Board's Report.

TRANSFER TO RESERVES

The Board of Directors did not propose to transfer any amount to reserves for the period under review.

DIVIDEND

Keeping in view the expected cash flow requirements and in order to conserve the resources for future business operations and for the future growth of the Company, the Board of Directors were not able to recommend any dividend for the financial year ended 31st March, 2019.

CAPITAL STRUCTURE

During the year, the authorized share capital and paid up capital of the Company remained unchanged at INR 300,000,000/- divided into 300,000,00 equity shares of INR 10/- each & INR 196,310,150/- divided into 196,310,15 equity shares of INR 10/- each respectively.

DIRECTORS

The Board of Directors of your Company comprises of 6 (six) Directors as on the date of this report representing the optimum blend of professionalism, knowledge and having varied experience in different disciplines of corporate functioning. Of these, 3 (three) Directors are Independent Directors, 2 (two) are Executive Directors and 1 (one) is Non Executive Director.

Appointments / Re-appointments

Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Stefan Hetges (DIN: 03339784), Non – Executive Director is retiring by rotation at the ensuing Annual General Meeting (AGM) and is eligible for re-appointment. The Directors propose the re-appointment of Mr. Stefan Hetges for approval of the shareholders at the ensuing AGM of the Company.

The Board of Directors at their Meeting held on August 07, 2018 approved appointment of Ms. Usha Srikanth having DIN 08184237 as an Additional and Independent Director of the Company w.e.f August 07, 2018 subject to approval of members. Also, earlier term of Mr. Dharani Raghurama Swaroop, Whole – time Director was upto March 01, 2019. The Board of Directors at their meeting held on August 07, 2018 has passed a resolution for re-appointment of Mr. Dharani Raghurama Swaroop (DIN: 0453250) as a Whole-time Director for a further period of 5 (five) years from the expiry of his present term, that is, March 01, 2019 subject to members' approval. Further, the earlier term of Mr. Motaparthi Kasi Venkateswara Rao ("Mr. Venkat Motaparthi"), Independent Director expired on March 31, 2019. The Board of Directors at their meeting held on August 07, 2018 has passed a resolution for re-appointment of Mr. Venkat Motaparthi (DIN: 01001056) as an Independent Director for a further period of 5 (five) years from the expiry of his present term, that is, March 31, 2019 subject to members' approval. The members approved the above said appointment/re-appointments by passing required resolutions at 19th Annual General Meeting of the company dated September 28, 2018.

As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015" or "Listing Regulations 2015" or "Listing Regulations"] (as amended) and Secretarial Standard 2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of Mr. Stefan Hetges seeking re-appointment is given below:

Name of the Director	Mr. Stefan Hetges
DIN	03339784
Date of Birth	July 19, 1963
Date of first appointment on the Board	November 15, 2010
Age	56 Years
Brief Resume	Stefan joined Cambridge Technology as a part of the acquisition of smartShift, the leading provider of tool-based modernization of complex IT systems. Stefan 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 buyout and formed smartShift.
Qualification	Masters in Computers from University of Constance, Germany
Experience	More than 23 years' of experience
Terms & Conditions of appointment along with Remuneration sought to be paid	Appointed as Non – Executive Non Independent Director w.e.f May 14, 2015 and liable to retire by rotation. Sitting fees for attending Board and / or Committee Meetings is sought to be paid.
Remuneration last drawn	Sitting fees for attending Board Meetings for the FY 2018-19 is INR 10,000/-
Disclosure of relationships between directors inter-se/Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Nature of his expertise in specific functional areas	Information Technology. Leading companies to lower IT cost by optimizing, migrating or transforming IT systems
Number of Meetings of the Board attended during the year	01
Names of Companies in which he holds the directorship	Cambridge Technology Enterprises Limited, smartShift Technologies Private Limited,smartShift GMBH and smartShift AG
Names of Companies in which he holds the membership of Committees of the Board	Nil
Shareholding in the Company	Nil

Resignations

Mr. Bendapudi Muralidhar (DIN: 0385208) has resigned as an Independent Director of the Company w.e.f May 21, 2018. The Board while accepting the resignation of Mr. Bendapudi Muralidhar, appreciated and placed on record the valuable contribution made by him during his tenure as an Independent Director as well as Chairman of Stakeholders Committee and member of Audit Committee and Nomination and Remuneration Committee.

KEY MANAGERIAL PERSONNEL

Appointments

Mr. Hanumant Bhansali holding position in the Company as Manager - Corporate Finance & Head Investor Relations was designated as a Whole – time Key Managerial Personnel by the Board of Directors at their meeting held on May 28, 2018.

Mr. Chirravuri Subrahmanya Leeladhar, a qualified Chartered Accountant was appointed as Chief Financial Officer of the Company w.e.f August 09, 2018.

Mr. Ashish Bhattad, qualified Company Secretary was appointed as Company Secretary & Compliance Officer w.e.f August 09, 2018 by the Board of Directors at their meeting held on August 07, 2018.

Resignations

Mr. Tumuluri Venkata Siva Prasad – Chief Financial Officer, Company Secretary & Compliance Officer of the Company has tendered his resignation w.e.f August 08, 2018. The Board of Directors at their meeting held on August 07, 2018 has accepted his resignation and placed on record its appreciation for the services rendered by him across different roles in the organization during his tenure as CFO, Company Secretary & Compliance Officer of the company.

BOARD AND COMMITTEE MEETINGS

The Board met 06 (seven) times during the year. Details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Section 173(1) of Companies Act, 2013 and Regulation 17(2) SEBI (LODR) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015.

FAMILIARIZATION PROGRAM

The Company at its various meetings held during the financial year 2018-19 had familiarized the Independent Directors through various initiatives. The Independent Directors of the company have been briefed at the meetings of the Board / Committees thereof on the matters such as their roles, functions, rights, duties, responsibilities and liabilities in the Company, nature of the industry in which the Company operates, the business model and operations of the Company, geographies in which company operates, financial results of the Company and that of its subsidiary companies, updates on statutory and regulatory changes and impact thereof, updates on development of business of the company, overview of board evaluation and procedures, etc. They were made to interact with business heads and senior management personnel and are given all the documents, reports and internal policies sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part which enable the Directors to contribute significantly to the Company.

Details of familiarization programs extended to the Independent Directors during the year are also disclosed on the Company website from time to time.

Web link: <https://www.ctepl.com/pdfs/investors/Familiarisation-Programme-CTEL-2019.pdf>

PERFORMANCE EVALUATION, NOMINATION & REMUNERATION POLICY

The Company has adopted the Performance Evaluation, Nomination & Remuneration Policy as required under the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. Brief features of the policy inter-alia includes objective and purpose of the policy which is to lay down the criteria for effective evaluation of performance of Board and that of its committees and individual directors, to establish a framework for the remuneration of directors, key managerial personnel and other employees, to lay down criteria for identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, criteria for determining qualifications, positive attributes and independence of a director, policy relating to remuneration of directors, key managerial personnel and other employees, to ensure reasonable and sufficient level and composition of remuneration to attract, retain and motivate the Directors, KMPs and Senior Management Personnel etc., and role of Nomination and Remuneration Committee as defined under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations, 2015.

During the year, the above said policy was amended, inter-alia, to comply with provisions introduced by Companies (Amendment) Act, 2017 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 such as specifying the manner for effective evaluation of performance, amendment in criteria of Independence, amendment in definition of senior management, recommendation to the board by nomination and remuneration committee of all remuneration in whatever form payable to senior management, etc.

Performance evaluation, nomination and remuneration policy is available on the website of the Company. Weblink:

http://www.ctepl.com/pdfs/investors/Performance_evaluation_nomination_remuneration_policy.pdf

Pursuant to the provisions of Companies Act, 2013 read with the rules made thereunder and SEBI (LODR) Regulations, 2015, the performance evaluation of individual Directors, Board and its Committees was carried out.

The requisite details as required by Section 134(3) and Regulation 34 of SEBI (LODR) Regulations, 2015 and other applicable provisions in this regard is provided elsewhere in this report and/ or Corporate Governance Report.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, an annual evaluation of performance of the Board, its Committees and of individual Directors has been carried out.

The Nomination & Remuneration Committee evaluated performance of the Directors including Independent Directors for the financial year 2018-19 based on the performance rating document submitted by individual directors and recommended its report to the Board. Thereafter, the Board reviewed performance of its own, its committees and of individual directors including independent Directors based on the performance rating document submitted by individual directors. The assessment is carried out by means of a structured questionnaire with ranking. Based on the report, the Board and the Nomination & Remuneration Committee has informed that the performance of Directors including Independent Directors is satisfactory and they are recommended for continuation as Directors of the Company.

The criteria for performance evaluation of the Board include aspects like experience, proper mix of qualifications, skills and competencies to conduct its affairs effectively, diversity, its roles and responsibilities, its functions, evaluation of risks, setting up of corporate culture and values, conduct of board meetings and its effectiveness, corporate strategy, business plans, corporate performance, etc. The criteria for performance evaluation of the Committees include aspects like structure, mandate, composition, independence, working procedures and functions of committees and effective contribution to the board, etc. The criteria for performance evaluation of the individual Directors (including Independent Directors) include aspects like qualifications, experience, competency, professional conduct, sufficient understanding and knowledge of the entity, fulfilling of functions, active initiation with respect to various areas, attendance at the meetings, contribution to the company and board meetings, commitment to the Board, integrity, etc., In addition, the performance of Independent Directors is evaluated on aspects such as his/her independence from the company and other directors, exercise of judgement and expression of opinion, etc. In addition, the performance of the Chairman is also evaluated on key aspects of his leadership, decisiveness, commitment to the Board, roles and responsibilities, etc.

Separate Meeting of the Independent Directors

A separate meeting of the Company's Independent Directors was also held on March 29, 2019. The meeting was held to:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;

- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited. The Company confirms that it has paid Annual Listing Fees to both the stock exchanges for the year 2018-19 during the year and 2019-20 as on date of this report.

AUDITORS & AUDITORS' REPORT

Statutory Auditors & Internal Auditors

M/s. Anandam & Co., Chartered Accountants (Firm Registration Number: 000125S) were appointed as Statutory Auditors of the Company from the conclusion of 17th Annual General Meeting till the conclusion of 22nd AGM of the Company subject to ratification of their appointment by the members at every Annual General Meeting.

The Companies Amendment Act, 2017 w.e.f May 07, 2018, has omitted the first proviso to Section 139 of the Companies Act, 2013 that provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting. Hence, the appointment of Statutory Auditors shall continue to be valid until the conclusion of 22nd Annual General Meeting of the Company and accordingly, no such item has been placed for approval of the members at this Annual General Meeting.

The Company has received audit report for both standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2019 from the statutory auditors, M/s. Anandam & Co., Chartered Accountants and forms part of this Annual Report. There are no qualifications, reservation, adverse remarks or disclaimer made by the Statutory Auditors in their Report.

Further, your Directors have appointed M/s. Narven & Associates, Chartered Accountants, Hyderabad as Internal Auditors of the Company.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014. M/s. B. Krishnaveni, a Company Secretary in Practice was appointed to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for financial year 2018-19 forms part of the Annual Report as **Annexure 2** to the Board's Report.

There are no qualifications, reservation, adverse remarks or disclaimer made by the Secretarial Auditor in her Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors confirm that the Company, during the financial year ended March 31, 2019, has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as required under Section 134(3)(a) of the Companies Act, 2013 is appended as **Annexure 3** to this Report and is also available on the website of the Company at <https://www.ctepl.com/investors/>.

PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed as **Annexure 4** to this report.

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure 4 forming part of the Report.

Remuneration / fees to Director from wholly owned subsidiary

During FY 2018-19, provision was made towards remuneration of Mr. Aashish Kalra, Chairman & CEO of the Company by Cambridge Technology Inc., USA, a wholly owned subsidiary company ("CT Inc") for an amount of USD 1,85,000 (INR 1,29,69,375/-). However, CT Inc. made no payment to him.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans, guarantees and investments, if any, made by the Company pursuant to Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the notes to the financial statements of the Company provided elsewhere in this Annual Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, during the financial year ended 31st March 2019, there is no outstanding amount to be transferred to Investor Education and Protection Fund.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. CONSERVATION OF ENERGY:** The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve energy wherever possible by using energy efficient computers, turning off air-conditioners during weekends and non-peak hours, installing LED lights, etc. The financial impact of these measures is not material.
- B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:** Your Company has neither incurred expenditure on any research and development nor was any specific technology obtained from any external sources which needs to be absorbed or adapted. Hence particulars relating to technology absorption are not applicable. The Company continue to adapt technologies that increase efficiency and improve the quality of its operations.
- C. FOREIGN EXCHANGE EARNINGS AND OUTGO:** The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

(In INR)

Particulars	Current year 31.03.2019	Previous year 31.03.2018
Foreign exchange earnings	29,02,87,530.89	32,27,16,273
Foreign exchange outgo:	Nil	Nil
Travel related Expenses	19,62,592	13,49,375

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective with reference to the financial statements during the financial year 2018-19.

The Company has in place adequate internal financial controls commensurate with the size and needs of the business. These controls ensures the orderly and efficient conduct of its Business, including adherence to the Company's policies, identification of areas of improvement, safeguarding of its assets from unauthorized use, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial statements and / or disclosures. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly. Also, please refer details of internal financial controls/Internal control systems that are provided in the Management Discussion and Analysis Report and Independent Auditors Report on financial statements which forms part of this annual report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The requisite details as required by Section 177 of Companies Act, 2013 and Regulation 22 & 34 (3) of SEBI (LODR) Regulations, 2015 is provided in the Corporate Governance Report.

The Whistleblower policy is available on the website of the Company.

Weblink: http://www.ctepl.com/pdfs/investors/Whistle_Blower_Policy.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to maintaining a productive environment for all its employees at various levels in the organization, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also set up an Internal Complaints Committee (ICC) for providing a redressal mechanism pertaining to sexual harassment against women employees at workplace.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-19, the Company has not received any complaints pertaining to Sexual Harassment.

RISK MANAGEMENT

The Company process is in place to ensure that all the Current and Future Material Risks of the Company are identified, assessed/quantified and effective steps are taken to mitigate/ reduce the effects of the risks to ensure proper growth of the business. Your Company has a well-defined risk management framework in place and a robust organizational structure for managing and reporting risks. For details related to risks and risk management, shareholders are requested to refer to "Threats, risks & concerns section" and "Internal control systems and their adequacy section" of Management Discussion and Analysis Report and Note 34 (for financial risk management) of the Standalone Financial Statements, which forms part of this annual report.

EMPLOYEE STOCK OPTION SCHEME

The details of employee stock options for the financial year ended 31 March, 2019 as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are given as **Annexure 5** to this report.

There is no material change in the employee stock option scheme(s) during the year and the scheme(s) are in compliance with the regulations. Further, the disclosures pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended 31 March, 2019 are available on website of the Company. Web-link: <http://www.ctepl.com/investors/>

The Certificate from the Auditors of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 stating that the scheme(s) has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, from time to time and in accordance with the resolution of the company in the general meeting, will be available for inspection by the members at the ensuing AGM.

CEO/CFO CERTIFICATION

Mr. Aashish Kalra, Chairman & Chief Executive Officer and Mr. Chirravuri Subrahmanya Leeladhar, Chief Financial Officer of the Company have provided Compliance Certificate (annexed as **Annexure 6** to this report) to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for the financial year ended 31 March 2019.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Policy on materiality of related party transactions and on dealing with related party transactions is available on the website of the Company.

Web link: http://www.ctepl.com/pdfs/investors/Related_party_transactions_policy.pdf

All transactions entered into with Related Parties as defined under the applicable provisions of Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and were not covered under the scope of Section 188(1) of the Companies Act, 2013. However, Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and is enclosed as **Annexure 7** to this Report. Appropriate approvals are obtained from Board and / or Audit Committee from time to time. The audit committee also reviews the transactions from time to time.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties (except with its wholly owned subsidiary(ies)) which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Ind AS, disclosures on related party transactions have been made in the notes to the financial statements, which forms part of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

The Management Discussion and Analysis Report and the Report on Corporate Governance for the financial year ended March 31, 2019 along with the certificate from practicing company secretary on compliance with the provisions of corporate governance under SEBI (LODR) Regulations, 2015 is annexed and forms part of this Report.

Your Company is committed to maintain the prescribed standards of Corporate Governance and has taken adequate steps to adhere to all the stipulations laid down in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Mrs. B. Krishnaveni, a Company Secretary in Practice, Secretarial Auditor of the company has certified that the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by your Company and her certificate is annexed as **Annexure 8** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee comprising of following Directors:

1. Mr. Dharani Raghurama Swaroop, Whole – time Director – Chairman of the Committee
2. Mr. Venkat Motaparthi, Independent Director – Member of the Committee
3. Mrs. K Jayalakshmi Kumari - Member of the Committee

The CSR Policy of the Company as recommended by CSR Committee and approved by the Board of Directors of the Company is available on website of the company i.e., <https://www.ctepl.com/investors/>. The objective of framing the CSR Policy of the Company is to ensure that the Company operate its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate.

The Report on Corporate Social Responsibility containing particulars as per the provisions of Section 135 read with the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as **Annexure '9'** forming part of this Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. The Company has neither accepted nor renewed any deposits from the public or otherwise in terms of Section 73 of the Companies Act, 2013 read with the rules made thereunder and as such no amount on account of principal or interest thereon on deposits from public was outstanding as on the date of Balance Sheet.
- b. There is no issue equity shares with differential rights as to dividend, voting or otherwise.
- c. There were no significant or material orders passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.
- d. There were no material changes and commitments affecting financial position of the company between 31st March, 2019 and the date of this Board's Report.
- e. The Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.
- f. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 is not required by the Company and accordingly such accounts and records are neither made nor maintained.
- g. Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Company's Employee Stock

Option Scheme 2011 & Employee Stock Option Scheme 2015, the Company, during the year 2015 – 16, has granted employee stock options through a trust set up for the same. The shares purchased by the trust for the said schemes are held by the trustee(s) for the benefit of the employees and are transferred to employee(s) when the employee(s) exercise the vested option. Also, the said trust is a non – promoter and non – public shareholder and it is herewith not exercising its voting rights. Hence, pursuant to Section 67(3) read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, the disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates to be made in the Board's report is not applicable.

APPRECIATIONS & ACKNOWLEDGEMENTS

Your Directors look to the future with confidence. Your Directors wish to express their appreciation for the valuable support and co-operation received from customers, vendors, investors, lenders, business associates and bankers for their continued support during the year. The Directors also thank the State Governments, Government of India, Governments of various countries, other Government Departments particularly Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Income Tax Department, Reserve Bank of India and other government agencies for their support, and looks forward to their continued support. Your Directors are especially indebted to employees of the Company and its subsidiaries at all levels, who through their dedication, co-operation, support and dynamic work, have enabled the company to achieve rapid growth. The Board also wishes to place on record their appreciation of business constituents like SEBI, BSE, NSE, NSDL, CDSL etc. for their continued support for the growth of the Company. Your Directors seek, and look forward to the same support during the future years of growth.

For and on behalf of the Board of Directors

Hyderabad
August 12, 2019

Sd/-
Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250

Sd/-
K Jayalakshmi Kumari
Independent Director
DIN: 03423518

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing the salient features of the financial statements of subsidiaries or associate companies or joint ventures

S. No	Name of the Subsidiary	Date since when subsidiary was acquired*	Reporting Period for the subsidiary concerned	Reporting Currency & Exchange Rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities**	Investments	Turnover	Profit before taxation	Provision for Taxation	Profit after taxation	Proposed Dividend	Extent of Share holding (in percentage)
1	Cambridge Technology Inc., USA	23/12/2014	31 st March, 2019	USD & 69.17	1631.78	(364.85)	4402.13	3135.20	2405.73	4986.13	(3410.96)	39.64	(3449.90)	Nil	100
2	Cambridge Technology Investments Pte. Ltd., Singapore	02/04/2015	31 st March, 2019	USD & 69.17	1032.55	(99.24)	936.18	2.87	0.00	0.0	(3.62)	0.00	(3.62)	Nil	100
3	Cambridge Bizserve Private Limited	28/01/2016	31 st March, 2019	INR & 1.00	1.00	(1.06)	1.00	1.06	0.00	0.00	(0.25)	0.00	(0.25)	Nil	100
4 #	Cambridge Innovation Capital LLC, USA	15/02/2017	31 st March, 2019	USD & 69.17	2,405.04	3300.73	8649.47	2943.70	2490.12	6099.45	3709.76	0.00	3709.76	Nil	100
5	Cambridge Innovations Private Limited	30/06/2016	31 st March, 2019	INR & 1.00	1.00	(16.91)	101.00	116.91	0.00	0.00	(8.33)	0.00	(8.33)	Nil	100
6 #	Cambridge Bizserve Inc., Philippines	12/07/2017	31 st March, 2019	Phi & 1.33	0.67	(162.55)	65.44	227.30	0.00	118.78	(149.91)	(30.55)	(119.36)	Nil	100

Notes:

- Names of Subsidiaries which are yet to commence operations: Cambridge Bizserve Private Limited & Cambridge Innovations Private Limited, wholly - owned subsidiary companies, and Cloud Computing Global Pte Ltd, step - down subsidiary has not commenced its operations.
- Names of subsidiaries liquidated or sold or strike off during the year: Kupier Management Pte Ltd, Step - down Subsidiary has been closed w.e.f June 14, 2018.

Additional Details:

- * The said subsidiaries were not acquired by the company from any party. They were incorporated as wholly - owned subsidiaries. Hence the date since when subsidiary acquired is not specified, but the date of incorporation/date of first investment is provided above.
- # Wholly - owned subsidiary of Cambridge Technology Inc., USA.

** Total Liabilities excludes share capital and reserves & surplus.

Part B - Associates & Joint Ventures (Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

The Company does not have any associates and joint ventures.

For and on behalf of the Board of Directors

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R.Swaroop
Wholetime Director
DIN : 00453250

Place: Hyderabad
Date : 27th May, 2019

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
The Members,
Cambridge Technology Enterprises Limited
CIN: L72200TG1999PLC030997
Unit No. 04-03, Level 4,
Block 1, Cyber Pearl,
Hi-Tec City, Madhapur,
Hyderabad (TS) – 500 081

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cambridge Technology Enterprises Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Cambridge Technology Enterprises Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cambridge Technology Enterprises Limited ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the Company namely:
 - (a) The Information Technology Act, 2000 and the rules made thereunder;
 - (b) Software Technology Parks of India rules and regulations, 2004;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the year as there no relevant transactions during the audit period:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/ The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there are no dissenting views to be recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the members of the Company has passed the following special resolution, the details of which are stated in the notice of 19th Annual General Meeting of the Company held on September 28, 2018:

1. Increase in aggregate limit of investment by Non-Resident Indians and / OCI's (as defined under FEMA) in the equity shares of the Company through recognized stock exchange or in any other manner including investment under the Portfolio Investment Scheme ("PIS") from the present aggregate limit of 10% up to an aggregate limit of 24% of the paid-up equity share capital of the Company. and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place: Hyderabad
Date: August 12, 2019

Sd/-
B. Krishnaveni
Practicing Company Secretary
ACS No. 9686
C P No.: 4286

Annexure 3 - Extract of Annual Return

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L72200TG1999PLC030997
2.	Registration Date	28 th January, 1999
3.	Name of the Company	Cambridge Technology Enterprises Limited
4.	Category/Sub-category of the Company	Public Company Limited by shares/Indian Non-Govt. Company
5.	Address of the Registered office & contact details	Unit No.04-03, Level 4, Block 1, Cyber Pearl, Hitec City, Madhapur, Hyderabad (TS) - 500081, India.
6.	Whether listed company	YES – BSE and NSE
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Aarathi Consultants Private Limited, CIN: U74140TG1992PTC014044 1-2-285, Domalguda, Hyderabad – 500029. Telangana, Tel: +91-40-27638111 , Fax: +91-40-27632184 Mail ID: info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer programming, consultancy and related activities	620	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Cambridge Technology Inc., 120 SE 6th Avenue, Suite 230 Topeka KS 66603	Business entity number: 5517362	Wholly Owned Subsidiary	100	2(87)
2	Cambridge Technology Investments Pte. Ltd, 51 GOLDHILL PLAZA #07-10/11 SINGAPORE 308900	Registration number: 201508834K	Wholly Owned Subsidiary	100	2(87)
3	Cambridge Bizserve Private Limited, Unit No.04-03, Level 4, , Block 1, Cyber Pearl Hitec-city, Madhapur, Hyderabad (TS)- 500081	CIN: U72300TG2016P TC102942	Wholly Owned Subsidiary	100	2(87)
4	Cambridge Innovations Private Limited, Unit No.04-03, Level 4, Block 1, Cyber Pearl, Hitec-city, Madhapur, Hyderabad (TS)- 500081	CIN: U72200TG2016P TC110628	Wholly Owned Subsidiary	100	2(87)
5*	Cambridge Innovations Capital LLC. 120 SE, 6th Avenue, Suite 230, Topeka, KS 66603	Business entity number: 6081900	Step Down Subsidiary	100	2(87)
6*	Cambridge Bizserve Inc., Philippines. 2nd Floor, DCG Building, Crossing Bayabas, Toril, Davao City 8025	SEC Registration number: CS201722826	Step Down Subsidiary	100	2(87)
7#	Cloud Computing Global Pte Ltd., Singapore. 51 Goldhill Plaza #07-10/11 Singapore-308900	Registration number: 201604110W	Step Down Subsidiary	100	2(87)
8**	Kupfer Management Pte Ltd., Singapore., 51 Goldhill Plaza #07-10/11 Singapore-308900	Registration number: 201600745M	Step Down Subsidiary	100	2(87)

* Wholly-owned subsidiary of Cambridge Technology Inc.,

Wholly-owned subsidiary of Cambridge Technology Investments Pte. Ltd,

**Closed w.e.f. 14/06/2018.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year (II-I)
	Demat	Physical	Total	% of Total Shares (I)	Demat	Physical	Total	% of Total Shares (II)	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub – total (A) (1)	0	0	0	0	0	0	0	0	0
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	9209693	0	9209693	46.91	9209693	0	9209693	46.91	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub – total (A) (2)	9209693	0	9209693	46.91	9209693	0	9209693	46.91	0
Total shareholding of Promoter (A) = A(1)+A(2)	9209693	0	9209693	46.91	9209693	0	9209693	46.91	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	442725	0	442725	2.26	528475	0	528475	2.69	0.44
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2570707	610	2571317	13.10	2506945	310	2507255	12.77	(0.33)
ii) Individual shareholders holding nominal share capital in excess of Rs, 1 lakh	2829495	0	2829495	14.41	3704330	0	3704330	18.87	4.46
c) Others (specify)									
Corporate Bodies - Foreign Bodies	2006100	57381	2063481	10.51	2006100	57381	2063481	10.51	0.00
Clearing Members	68075	0	68075	0.35	73649	0	73649	0.38	0.03
NBFCs registered with RBI	0	0	0	0.00	2000	0	2000	0.01	0.01
Non Resident Indians	1287853	510588	1798411	9.17	384756	510588	895344	4.56	(4.60)
Trusts*	548244	0	548244	2.79	547244	0	547244	2.79	0.00
Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Foreign Nationals	5512	94032	99544	0.51	5512	94032	99544	0.51	0.00
Sub-total (B)(2):-	9758711	662611	10421322	53.09	9759011	662311	10421322	53.09	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9758711	662611	10421322	53.09	9759011	662311	10421322	53.09	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	18968404	662611	19631015	100	18968704	662311	19631015	100.00	0.00

*Shares held by Company's Employee Benefit Trusts as per SEBI (Share-based Employee Benefits) Regulations, 2014. This is a non-promoter, non-public shareholding.

ii) Shareholding of Promoter(s)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Cloud Computing LLC	9209693	46.91	0.00	9209693	46.91	0.00	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9209693	46.91	9209693	46.91
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	-	-
3	At the end of the year*	9209693	46.91	9209693	46.91

iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SmartShift AG At the beginning of the year	2006100	10.22	2006100	10.22
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	2006100	10.22	2006100	10.22
2	Kersie M Waghmar At the beginning of the year	0	0	0	0
	Purchase/or through transfer: 04.01.2019 - 11.01.2019	940080	4.79	940080	4.79
	At the end of the year	940080	4.79	940080	4.79
3	Raymond J Lane At the beginning of the year	500000	2.55	500000	2.55
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	-	-
	At the end of the year	500000	2.55	500000	2.55
4	Mukul Mahavirprasad Agrawal At the beginning of the year	450000	2.29	450000	2.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	-	-
	At the end of the year	450000	2.29	450000	2.29

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Suresh Gadaley				
	At the beginning of the year	435923	2.22	435923	2.22
	Purchase: 11.05.2018 – 18.05.2018	163	0.00	436086	2.22
	Sale: 24.08.2018 – 31.08.2018	(5050)	(0.03)	431036	2.20
	Sale: 31.08.2018 – 07.09.2018	(1800)	(0.01)	429236	2.19
	Sale: 07.12.2018 – 14.12.2018	(935)	(0.00)	428301	2.18
	Sale: 14.12.2018 – 21.12.2018	(565)	(0.00)	427736	2.18
	Sale: 31.12.2018 – 04.01.2019	(4287)	(0.02)	423449	2.16
	Sale: 04.01.2019 – 11.01.2019	(1000)	(0.01)	422449	2.15
	Sale: 25.01.2019 – 01.02.2019	(75)	(0.00)	422374	2.15
Sale: 01.02.2019 – 08.02.2019	(400)	(0.00)	421974	2.15	
At the end of the year	421974	2.15	421974	2.15	
6	Devinder Prakash Kalra				
	At the beginning of the year	393000	2.00	393000	2.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	-	-
At the end of the year	393000	2.00	393000	2.00	
7	Kanchan Sunil Singhania				
	At the beginning of the year	270000	1.38	270000	1.38
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	270000	1.38	270000	1.38	
8	Kamal Gadaley				
	At the beginning of the year	211398	1.08	211398	1.08
	Sale: 11.05.2018 – 18.05.2018	(15)	0.00	211383	1.08
	Sale: 17.08.2018 – 24.08.2018	(53)	0.00	211330	1.08
	Sale: 24.08.2018 – 31.08.2018	(1000)	(0.01)	210330	1.07
	Sale: 31.08.2018 – 07.09.2018	(3000)	(0.02)	207330	1.06
	Sale: 30.11.2018 – 07.12.2018	(400)	(0.00)	206930	1.05
At the end of the year	206930	1.05	206930	1.05	
9	Rajasthan Global Securities Pvt. Ltd.				
	At the beginning of the year	58797	0.30	58797	0.30
	Purchase: 31.03.2018 – 06.04.2018	11703	0.06	70500	0.36
	Purchase: 13.04.2018 – 20.04.2018	4077	0.02	74577	0.38
	Purchase: 20.04.2019 – 27.04.2019	2997	0.02	77574	0.40
	Purchase: 27.04.2018 – 04.05.2018	5934	0.03	83508	0.43
	Purchase: 04.05.2018 – 11.05.2018	3143	0.02	86651	0.44
	Purchase: 11.05.2018 – 18.05.2018	9379	0.05	96030	0.49
	Purchase: 17.08.2018 – 24.08.2018	6751	0.03	102781	0.52
	Purchase: 24.08.2018 – 31.08.2018	400	0.00	103181	0.52
	Purchase: 07.09.2018 – 14.09.2018	2805	0.01	105986	0.53
	Purchase: 14.09.2018 – 21.09.2018	2	0.00	105988	0.54
	Purchase: 08.02.2019 – 15.02.2019	25500	0.13	131488	0.67
	Purchase: 01.03.2019 – 08.03.2019	400	0.00	131888	0.67
	Purchase: 15.03.2019 – 22.03.2019	2677	0.01	134565	0.69
	At the end of the year	134565	0.69	134565	0.69
10	Anuradha Kalra				
	At the beginning of the year	126000	0.64	126000	0.64
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	-	-
At the end of the year	126000	0.64	126000	0.64	

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	DRR Swaroop – Trustee* At the beginning of the year	321244	1.64	321244	1.64
	Shares transferred pursuant to exercise of stock options by an employee: 13.07.2018 – 20.07.2018	(1000)	(0.01)	320244	1.63
	At the end of the year	320244	1.63	320244	1.63
12	Purushothaman Vinayakam – Trustee* At the beginning of the year	227000	1.16	227000	1.16
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	-	-
	At the end of the year	227000	1.16	227000	1.16
13	Sarosh Kersie Waghmar At the beginning of the year	940080	4.79	940080	4.79
	Sold/transferred: 04.01.2019 - 11.01.2019	940080	4.79	940080	4.79
	At the end of the year	0	0	0	0

Note:

- The names of above said top ten shareholders are based on 31.03.2019 Benpos Data.
* DRR Swaroop – Trustee and Purushothaman Vinayakam - Trustee are Employees Benefit Trusts Under SEBI (Share based Employee Benefit) Regulations, 2014 i.e., Non-Promoter-Non Public Shareholding.
** Sarosh Kersie Waghmar was amongst the top shareholders as on 31.03.2018 Benpos Data.
- The Shares of the Company are traded on a daily basis and hence the date wise increase/decrease in the shareholding is not indicated. The dates for purchase / sale indicated in the above table are as on the date of weekly benpos (i.e, purchase/sale registered during the mentioned benpos dates).

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dharani Raghurama Swaroop (Whole – Time Director) At the beginning of the year	9000	0.05	9000	0.05
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	9000	0.05	9000	0.05
2	Chirravuri Subrahmanya Leeladhar (Chief Financial Officer) At the beginning of the year	300	0.00	300	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	300	0.00	300	0.00
2*	Bendapudi Muralidhar (Independent Director) At the beginning of the year	288	0.001	288	0.001
	Increase/Decrease during the year	0	0	-	-
	At the end of the year	288	0.001	288	0.001
3**	Tumuluri Venkata Siva Prasad At the beginning of the year	0	0	0	0
	ESOPs exercised during the year – 13.07.2018	1000	0.01	1000	0.01
	Sale (1000)	(0.01)	(1000)	(0.01)	
	At the end of the year	0	0	0	0

* Mr. Bendapudi Muralidhar resigned from the Company w.e.f May 21, 2018. ** Mr. T.V Siva Prasad resigned from the Company w.e.f August 08, 2018.

Note: Other Directors and Key Managerial Personnel does not hold any Shares in the Company.

V) INDEBTEDNESS -

(In INR)

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	28,319,862.66	4,904,566.00	Nil	33,224,428.66
ii) Interest due but not paid	0.00	0.00	Nil	-
iii) Interest accrued but not due	0.00	0.00	Nil	-
Total (i+ii+iii)	28,319,862.66	4,904,566.00	Nil	33,224,428.66
Change in Indebtedness during the financial year				
Addition	257,830,878.67	4,539,131.00	Nil	262,370,009.67
Reduction	(239,773,038.21)	(5,912,481.00)	Nil	(245,685,518.21)
Net Change	1,80,57,840.46	13,73,349.00	Nil	1,66,84,491.46
Indebtedness at the end of the financial year				
i) Principal Amount	46,377,703.12	3,535,613.00	Nil	49,913,316.12
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	46,377,703.12	3,535,613.00	Nil	49,913,316.12

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In INR)

S. No.	Particulars of Remuneration	Name of Whole Time Director(s)		Total Amount
		Dharani Raghurama Swaroop	Aashish Kalra Chairman & CEO	
1	Gross salary	20,41,665	-	20,41,665
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,33,334	-	3,33,334
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option*	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify			
	Leave encashment	166,667	-	166,667
	Variable pay	83,334	-	83,334
	Total (A)	26,25,000	-	26,25,000
	Ceiling as per the Act	INR 60,00,000/-. The remuneration to Mr. Dharani Raghurama Swaroop is paid as per Part II of Schedule V to the Companies Act, 2013.		

* During FY 2015 – 16, Mr. Dharani Raghurama Swaroop has been granted 20,000 stock options at an exercise price of INR 38/- with a vesting period of three years from the date of grant. Note: 1. Mr. Aashish Kalra, Chairman & CEO of the Company does not draw any remuneration from the company. During FY 2018-19, provision was made towards remuneration of Mr. Aashish Kalra, Chairman & CEO of the Company by Cambridge Technology Inc., USA, a wholly owned subsidiary company ("CT Inc") for an amount of USD 1,85,000 (INR 1,29,69,375/-). However, CT Inc. made no payment to him.

2. In accordance with the definition of perquisites under the Income-tax Act, 1961, the remuneration includes the value of stock incentives only on those shares that have been exercised during the period. Accordingly, the value of stock incentives granted during the period is not included. The number of stock incentives granted in fiscal is mentioned above.

B. Remuneration to other directors

(In INR)

S. No	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Venkat Motaparthi	Mrs. K. Jayalakshmi Kumari	Mr. Bendapudi Muralidhar*	Ms. Usha Srikanth	Mr. Stefan Hetges	
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	170,000	180,000	0	20,000	-	370,000
	Total (1)	170,000	180,000	0	20,000	-	370,000
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	10,000	10,000
	Total (2)	-	-	-	-	10,000	10,000
	Total (B) = (1+2)	170,000	180,000	0	20,000	10,000	380,000
	Total Managerial Remuneration	3,005,000					
	Overall Ceiling as per the Act	The Remuneration to whole – time Director that can be paid is INR 60,00,000. This is pursuant to Schedule V to the Companies Act, 2013. Other Directors are paid only sitting fees.					

Note:

- Other Directors are not paid any remuneration except sitting fees for attending board/committee meeting(s).
- The Directors mentioned in the above table are Independent Directors except for Mr. Stefan Hetges who is a Non – Executive & Non – Independent Director.

*Mr. Bendapudi Muralidhar resigned w.e.f May 21, 2018.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in INR)

Sl No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		# Aashish Kalra, CEO (already stated above)	*Tumuluri Venkata Siva Prasad, CFO & Company Secretary (resigned w.e.f 08.08.2018)	Chirravuri Subrahmanya Leeladhar, CFO (appointed w.e.f 09.08.2018)	Ashish Bhattad, Company Secretary (appointed w.e.f 09.08.2018)	Hanumant Bhansali, Head – Investor Relations (appointed as KMP w.e.f 28.05.2018)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	(already stated above)	7,12,328 1,12,962	19,18,963 -	4,40,360 -	33,81,955 -	64,53,606 1,12,962
2	Stock Option**		14,925	-	-	-	-
3	Sweat Equity		-	-	-	-	-
4	Commission - as % of profit - others, specify...		- -	- -	- -	- -	- -
5	Others, please specify (leave encashment)		56,472	-	-	-	56,472
	Total		8,96,687	19,18,963	4,40,360	33,81,955	66,23,040

**During FY 2015 – 16,

- Mr. T V Siva Prasad has been granted 1,000 stock options at an exercise price of INR 38/- & 2,500 stock options at an exercise price of INR 80/- with a vesting period of three years from the date of grant and he exercised 1000 stock options at an exercise price of INR 38/- during the year 2018-19.
- Mr. Ashish Bhattad, Company Secretary has been granted 1,000 stock options at an exercise price of INR 80/- with a vesting period of three years from the date of grant.
- Mr. Hanumant Bhansali, Head – Investor Relations has been granted 10,000 stock options at an exercise price of of INR 80/- with a vesting period of three years from the date of grant.

Note:

1. In accordance with the definition of perquisites under the Income-tax Act, 1961, the remuneration includes the value of stock incentives only on those shares that have been exercised during the period. Accordingly, the value of stock incentives granted during the period is not included. The number of stock incentives granted in fiscal is mentioned above.
2. Remuneration for Chief Financial Officer, Company Secretary & Head – Investor Relations is provided for the period from which the appointment is effective or upto the date from which the resignation is effective, as the case may be.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in default, if any, during the financial year 2018-19.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
A. Company					
Penalty			Nil		
Punishment					
Compounding					
B. Directors					
Penalty			Nil		
Punishment					
Compounding					
C. Other officers in default					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-

Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250

Sd/-

K Jayalakshmi Kumari
Independent Director
DIN: 0342351

Hyderabad
August 12, 2019

A. Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment & Remuneration) of Managerial Personnel) Rules, 2014

- (i) Ratio of remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2018-19, the percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2018-19.

Sl No	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration
1	Mr. Aashish Kalra	Chairman & CEO (Whole – time Director)	Nil	Nil
2	Mr. Dharani Raghurama Swaroop	Whole-Time Director	3.72	5 %
3	Mr. Venkat Motaparthy	Independent Director	0.24	30.77 %
4	Mr. B. Muralidhar (upto 21.05.2018)	Independent Director	Nil	Nil
5	Mrs. K. Jayalakshmi Kumari	Independent Director	0.25	157.14 %
6	Mr. Stefan Hetges	Non – Executive Director	0.01	Not Applicable
7	Ms. Usha Srikanth (w.e.f 07.08.2019)	Independent Director	0.03	Not Applicable
8	T V Siva Prasad (upto 08.08.2018)	Chief Financial Officer & Company Secretary	1.27 #	Not Applicable *
9	Mr. C S Leeladhar (w.e.f 09.08.2018)	Chief Financial Officer	2.72 #	Not Applicable *
10	Mr. Hanumant Bhansali (w.e.f 28.05.2018)	Head – Investor Relations	4.80 #	Not Applicable *
11	Mr. Ashish Bhattad (w.e.f 09.08.2018)	Company Secretary	0.62 #	Not Applicable *

Note:

- The Non – Executive / Independent Directors are paid only sitting fees for attending meetings of Board and / or Committees.
- Mr. Aashish Kalra, Chairman & CEO, Whole – time Director does not draw any remuneration from the Company.
Details provided for only part of the year during which the said persons acted as Key Managerial Personnel(s).
* Details not provided as the persons were appointed as Key Managerial Personnel during the year.

(ii) The percentage increase in the Median remuneration of employees in the financial year 2018 – 19: 30%.

(iii) The number of permanent employees on the rolls of company:

The Company has 235 permanent employees on the rolls of the Company as on March 31, 2019.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year was 10%, whereas there is 5% increase in the remuneration of managerial personnel in the last financial year.

There are no other exceptional circumstances for increase in the remuneration of managerial personnel. The increment given to each individual employee is based on the employees' potential, their performance, their contribution to the Company's progress over a period of time, superior business performance, etc.

(v) Affirmation that the remuneration is as per the remuneration policy of the company.

It is hereby affirmed that the remuneration is as per the remuneration policy of the company.

B. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**Top Ten Employees in terms of remuneration drawn:**

Name	Designation & Nature of Employment (whether contractual or otherwise)	Remuneration received (in INR)	Qualifications	Experience (in years)	Date of commencement of employment	Age (years)	Particulars of last employment
Padmanava Debnath	Director – Technology & permanent	39,32,000	M.Sc. Applied Geology	20.20	17-Apr-03	43	Cysphere.com
Hanumant Bhansali	Manager Corporate Finance & Investor Relations & Permanent	28,00,000	MBA	10.00	7-Sep-15	33	Nine Rivers Capital
Dharani Raghurama Swaroop	Whole – time Director & permanent	26,25,000	Degree in Electrical Engineering	33.00	29-Jan-1999	60	Not Applicable
Suresh Kotian	Architect - Cloud Operations & Permanent	25,88,500	MSC in IT	13.81	3-Sep-15	45	Tech Mahindra
Md Shakeel Ahmed	Head CLOC Operations & permanent	25,70,700	Diploma in electrical & electronics	16.19	19-Apr-07	37	Compugra
Arun Nayak	National Manager - Sales & permanent	25,40,000	MBA	19.49	1-Jan-00	41	Not Applicable
Adil Basha	Architect - Cloud Operations & permanent	25,24,500	Bachelor of Commerce	17.97	5-Oct-15	43	CAIplion Software Technologies Pvt Ltd
Nageswara Rao Kosuri	Senior Technical Architect & Permanent	22,50,000	MCA	17.00	06-Jun-18	42	Optum Solutions
Mayukh Ghatak	Senior Manager – Delivery & Permanent	22,16,200	Bachelor of Commerce	19.20	11-Apr-07	42	Thomson Reuters
Srinivasa Raja Sekhar Gundu	Associate Architect – Technology & Permanent	21,23,000	MCA	16.50	30-Jun-04	44	Informa Technologies

Note:

1. There are no employees who were in receipt of remuneration in excess of INR 1 crore and 2 lakhs who were employed throughout the financial year.
2. There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of INR 8,50,000 per month.
3. None of the employee who is in receipt of remuneration in the year, which in aggregate, is in excess of that drawn by whole – time director holds by himself or along with spouse and dependent children more than 2% of the equity shares of the company.
4. No employee as stated above is a relative of any director of the company.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Hyderabad
August 12, 2019

Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250

K Jayalakshmi Kumari
Independent Director
DIN: 03423518

Disclosure under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital & Debentures), Rules, 2014**Details of status of Employee Stock Option Scheme for the year 2018-19**

S. No.	Particulars	CTEL Employee Stock Option Scheme – 2006	CTEL Employee Stock Option Scheme 2 - 2008	CTEL ESOP Scheme 2011	ESOS - 2015
1	Options Granted during the year	Nil	Nil	Nil	Nil
2	Options vested during the year	Nil	Nil	2,29,000	96,000
3	Options exercised during the year	Nil	Nil	1,000	Nil
4	Total Number of shares arising as a result of exercise of options	Nil	Nil	1,000	Nil
		The shares resulting from the exercise of stock options are transferred to Employees from the trust formed for ESOS. The shares are already existing with the trust formed for ESOS.			
5	Options lapsed during the year	Nil	Nil	300	13,100
6	Exercise Price (in INR)	Rs. 20/-	Rs. 25.90	Rs. 38/-	Rs. 80/-
7	Variation in terms of options / material change in the schemes	There were no variations in terms of options / material changes during the year Not Applicable			
8	Money realized by exercise of options (Rs)	Nil	Nil	INR 38,000/-	Nil
		The money is not realized directly by the Company. The Employee Stock Option Schemes are being implemented through trust formed for the same.			
9	Total number of options in force	Nil	1,000	2,28,300	94,500
10	Employee - wise details of options granted to:				
	i. Key Managerial Personnel	Nil	Nil	1. Mr. Dharani Raghurama Swaroop, Whole – time Director – 20,000 options granted during the year 2015 - 16 *2. Mr. T V Siva Prasad, CFO & Company Secretary – 1,000 options granted during the year 2015 – 16	1. Mr. T V Siva Prasad, CFO & Company Secretary – 2,500 options granted during the year 2015 - 16 ** 2. Mr. Ashish Bhattad, Company Secretary – 1000 options during the year 2015 – 16 # 3. Mr. Hanumant Bhansali, Head Investor Relations – 10,000 options during the year 2015 - 16
	ii. Any other employee who received a grant in any one year of options amounting to 5% or more options granted during the year	The following employees of subsidiary companies received a grant during the year 2015-16 amounting to 5% or more of options granted during the year: CTEL ESOP Scheme 2011 1. Mr. Nitin Tyagi, Vice President – Enterprise Solutions: 75,000 options 2. Mr. Sudip Kar, Vice President – Delivery: 50,000 options ESOS – 2015 1. Mr. Alexis Kopikis: 50,000 options 2. Mr. Rajesh Krishnamurthy: 25,000 options. Mr. Alexis Kopikis & Mr. Rajesh Krishnamurthy resigned during FY 2016-17 & 2017-18 respectively.			
	iii. Identified employees who were granted options during any one year equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not Applicable			

For and on behalf of the Board of Directors

Sd/-

Sd/-

Hyderabad
August 12, 2019Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250K Jayalakshmi Kumari
Independent Director
DIN: 03423518

COMPLIANCE CERTIFICATE

(Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Cambridge Technology Enterprises Limited
Regd. Office: Unit No. 04-03, Block 1,
Cyber Pearl, Hitec City,
Madhapur, Hyderabad - 500081

We Aashish Kalra, Chairman & Chief Executive Officer and Chirravuri Subrahmanya Leeladhar, Chief Financial Officer of the Company certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or propose to take to rectify these deficiencies.
- (d) We have indicated to auditors and the audit committee that-
- (i) there are no significant changes in the internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which we have become aware and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Aashish Kalra
Chairman & Chief Executive Officer
DIN: 01878010

Sd/-

Chirravuri Subrahmanya Leeladhar
Chief Financial Officer

Date: May 27, 2019

Date: May 27, 2019

Disclosure of particulars of Contract / Arrangements made with related parties

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

- | | | |
|--|---|-----|
| <ul style="list-style-type: none"> (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts / arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions (f) date(s) of approval by the Board (g) Amount paid as advances, if any: (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | } | Nil |
|--|---|-----|

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions entered at arm's length basis:

S. No	Names of Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any:	Date(s) of Approval by the Board, if any	Amount paid as advances, if any
1.	Cambridge Technology Inc., USA	Wholly Owned Subsidiary	Services rendered	01.01.2017 Ongoing	As per Transfer Pricing guidelines. The Export Revenue from Cambridge Technology Inc, USA for the FY 2018-19 is INR 29,02,87,530/-	Not Applicable. However, appropriate approval for the transaction with the said party is obtained, as required from time to time	please refer to related party schedule in the financial statements

For and on behalf of the Board of Directors

Sd/-

Sd/-

Hyderabad
August 12, 2019

Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250

K Jayalakshmi Kumari
Independent Director
DIN: 03423518

CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of M/s. Cambridge Technology Enterprises Limited

I have examined the compliance of conditions of Corporate Governance by Cambridge Technology Enterprises Limited ('the Company'), for the year ended March 31, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: August 12, 2019

Sd/-
B. Krishnaveni
Practicing Company Secretary
ACS No. 9686
C P No.: 4286

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

- 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

The document outlines the Policy of Cambridge Technology Enterprises Limited towards Corporate Social Responsibility, in accordance with section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Company believes in looking beyond business and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as whole. The Management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company's responsibilities towards the community.

The objective of framing the CSR Policy of the Company is to ensure that the Company operate its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate.

The Company shall undertake the activities as recommended by the CSR committee and approved by the Board from time to time in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014.

The CSR Policy is available on the Company's website <https://www.ctepl.com/investors/>

- 2. The Composition of the CSR Committee.**

Corporate Social Responsibility Committee	
Mr. Dharani Raghurama Swaroop, Whole – time Director	Chairman
Mr. Venkat Motaparthy, Independent Director	Member
Mrs. K Jayalakshmi Kumari - Member of the Committee	Member

- 3. Average net profit/loss of the company for last three financial years:** INR 52,286,068.67/-
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** INR 1,045,721.37/-
- 5. Details of CSR spent during the financial year:**
- (a) Total amount to be spent for the financial year: INR 1,045,721.37/-
- (b) Amount unspent, if any: INR 1,045,721.37/-
- (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programme (1) Local area or other(2)Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil	Nil	Nil	Nil

- Give details of implementing agency: Not Applicable
- 6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Committee had discussions with a few number of NGO's to actively support and channelize the CSR activities/projects/programs to be undertaken by the Company in line with its CSR objectives. However, the CSR committee could not identify any suitable partner to channelize any CSR activities/projects/programs to be undertaken by the company in line with its CSR objectives and it require more time to identify and meet partners and channelize CSR activities/projects/programs to achieve its CSR objectives.

Hence due to paucity of time and due to non-identification of suitable channel / partner / project to undertake CSR activities of the Company, the CSR Committee could not make any recommendation to the Board for the Financial Year 2018-19, for the CSR activities to be undertaken by the Company and the amount of expenditure to be incurred on such activities.

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Sd/-
K Jayalakshmi Kumari
(Director)
(DIN: 03423518)

Sd/-
Dharani Raghurama Swaroop
(Whole – time Director & Chairman of CSR Committee)
(DIN: 00453250)



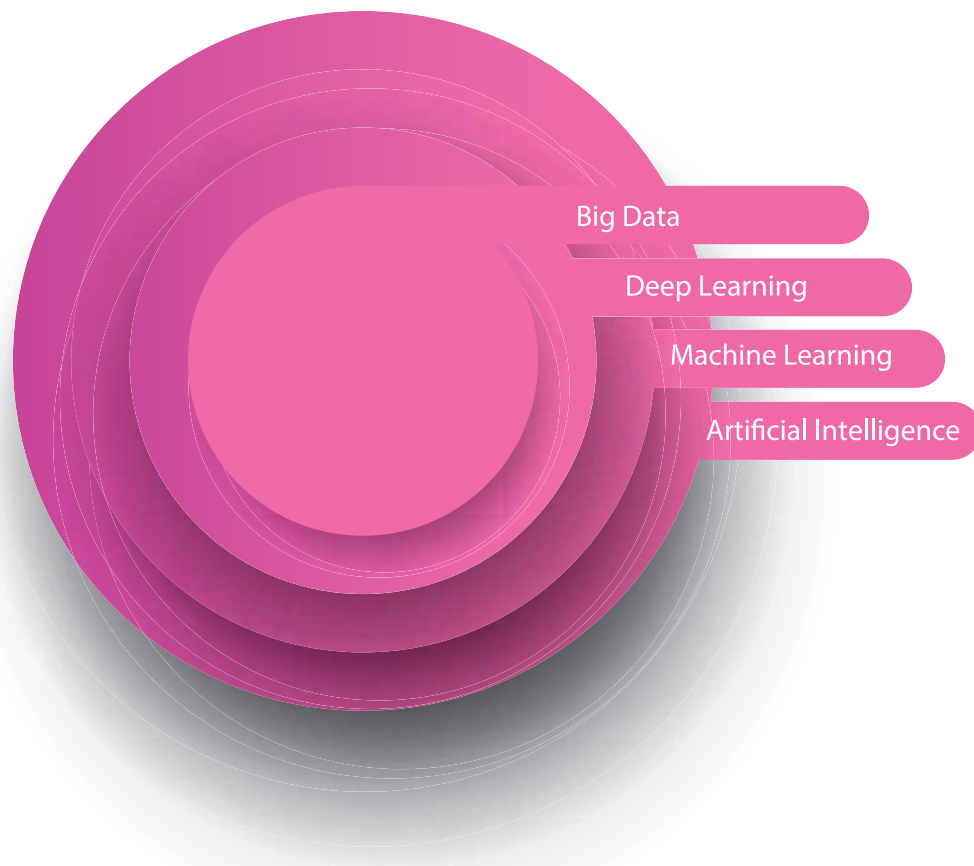
**Management
Discussion
&
Analysis Report**

INDUSTRY STRUCTURE AND DEVELOPMENTS

BIG DATA, CLOUD AND AI: A REVOLUTIONARY RELATIONSHIP

The world is transforming and we are in the middle of the single largest transformation the world has ever seen since the Industrial Revolution nearly 250 years ago. Data is the next natural resource like air, oil, water and the convergence of Big Data and Cloud powered by Artificial Intelligence (AI) and Machine Learning (ML) is a potential multi trillion-dollar opportunity.

Increase in adoption of Big Data and Cloud technologies are acting as a catalyst for AI adoption. Enterprises that are at the forefront of Big Data, Digitalization and Cloud adoption are the ones that are going to have a competitive advantage because of the innate capabilities of AI to create measurable impact from data insights.

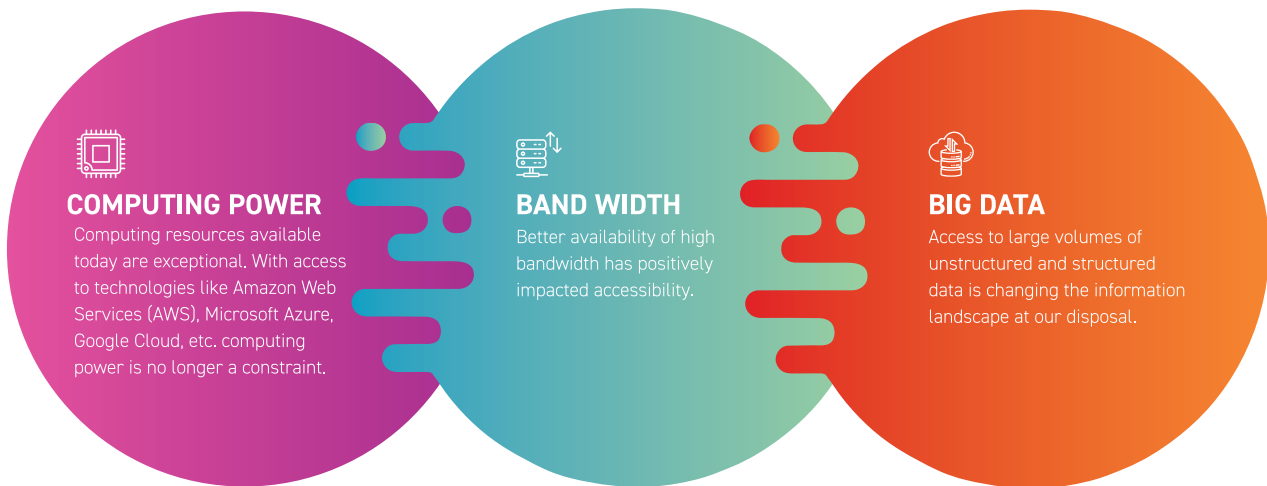


So, what is AI?

AI is a broad term that encompasses a lot of technologies with different capabilities to support decision making. One such technology is ML. The data rich organizations have a clear advantage because of ML's ability to learn and improve continuously. In simple words, AI is an area of computer science that deals with creation of intelligent machines, that work and behave like humans.

Why is AI relevant today?

Three key breakthroughs that paved the way for AI



What is the state of AI today?

The magnitude of the impact that will be created by world's leading technologies like computer vision, advanced machine learning, virtual assistants runs into trillions of dollars.

A recent forecast by McKinsey assesses that the impact of AI on the global economy will be USD 13 trillion. The research estimates AI to add about 1.2 percent of additional growth in GDP per year through to 2030. In comparison, the steam engines had given 0.3 percent of additional growth in GDP per year between 1850 and 1910.

According to Gartner's 2019 CIO survey, 37 percent of organizations have implemented AI in some form or the other. Despite the shortage of talent, the percentage of businesses employing AI has increased by 270 percent over the last four years and in the past one year itself the number has in fact tripled.

To realize the complete potential of AI, firstly it needs to be trusted. The ability to draw connections and make inferences that are actually 'not quite obvious' is what makes AI useful.

Gartner predicted that organizations that excel in personalization are going to outperform by 20 percent. With hyper-personalization becoming an important trend in the world of AI, by the end of 2019, we can see AI delivering highly personalized content.

As technology evolves, cloud gets hard to ignore and deep learning gets deeper

As the tremendous advantages of cloud becomes widely recognized, most enterprises are seeking to combine the way they develop for the cloud and the enterprise. With transformational cloud technology developments, enterprises now cannot afford to ignore it.

Deep learning made AI a buzzword in research labs, corporate board meetings, the stock market and the homes of digital consumers. Researchers believe that in order to stimulate human intelligence, we need to strengthen our capabilities in unsupervised learning and find innovative ways to train models without strict dependence on structured training data.

The year 2018 has been the year of AI, 2019 will be a watershed moment

AI platforms are transforming every product and service into a connected smart product and service. With these developments, businesses have started utilizing the data they have to generate new revenue streams. Consequently, with businesses generating revenue from their own data, we will see a shift in the focus from strategy for AI to a strategy driven by AI through which companies look for real business impact.

The convergence of Big Data and Cloud powered by AI and ML is transforming businesses faster than ever. The following industry developments reinforce this belief:

- Increasing adoption of cloud strategies in organisations worldwide. Gartner has estimated that the cloud services industry is expected to grow exponentially through 2022 which makes it evident that the industry has done the fundamental exercise of gathering and storing data.

ALL FIGURES IN USD BILLIONS	2018	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	45.8	49.3	53.1	57.0	61.1
Cloud Application Infrastructure Services (PaaS)	15.6	19.0	23.0	27.5	31.8
Cloud Application Services (SaaS)	80.0	94.8	110.5	126.7	143.7
Cloud Management and Security Services	10.5	12.2	14.1	16.0	17.9
Cloud System Infrastructure Services (IaaS)	30.5	38.9	49.1	61.9	76.6
Total Market	182.4	214.3	249.8	289.1	331.2

SOURCE: Gartner April 2019

- The share of jobs requiring AI skills has risen by more than 4 times since 2013.
- Machine Learning, Deep Learning and Natural Language Processing are the three most in-demand skills on Monster.com.
- As per CB Insights Research, over 1100 AI companies have raised equity financing for the first time since 2016. According to Stanford University's AI Index 2017 Report, the number of Computer Science academic papers published and tagged with the term "Artificial Intelligence" has risen by more than 9 times since 1996.

Digital Transformation, by the numbers

- Gartner predicts that by 2020, AI and ML may create USD 2.6 trillion in value in marketing & sales and upto USD 2 trillion in value in manufacturing and supply chain.
- Gartner also predicts that AI will potentially create USD 3.9 trillion in value by 2022.
- IDC predicts spending on cognitive and AI systems will reach USD 77.6 billion in 2022.
- Pharmaceutical research and discovery will witness the fastest investment growth over 2017-22 with a CAGR of 46.85 percent, followed by digital assistants for enterprise knowledge workers with 45.1 percent CAGR and intelligent processing automation with 43.6 percent CAGR. Software industry will witness unstoppable growth with over 40 percent of all cognitive/AI spending.
- Industry estimates suggest that marketing executives are prioritizing AI and ML based applications and platforms to improve customer experience.
- More than 80 percent of marketing executives adopting AI and ML to improve and capitalize on every aspect of personalization strategies.
- On a financial metric, a recent survey by McKinsey has found that 82 percent of enterprises are adopting AI and ML to make a better return on investment.

The Technological Disruption – The ‘haves’ and ‘have-nots’ theory

Enterprises are going to end up with ‘haves and have-nots’ in the AI space.

Businesses with ‘haves’ will have the capital and resources to implement AI solutions and make decisions while the businesses with the ‘have-nots’ will be standing still. As we approach this future, we will see enterprises and growth companies take advantage of AI to re-invent and innovate.

Data does not work in silos. Data creates value only when it is used in a context. Eventually, value is derived when data is put to use. In this evolution, the next step is to figuring out the insights that add to business logic and put them to action. The ability to gauge business use cases instead of being carried away by the technology is key to deriving success from the use of big data and AI.

The future belongs to front end businesses focused on value

Every human life and business in this world will be transformed with this technological disruption and millions of transformative businesses will be created.

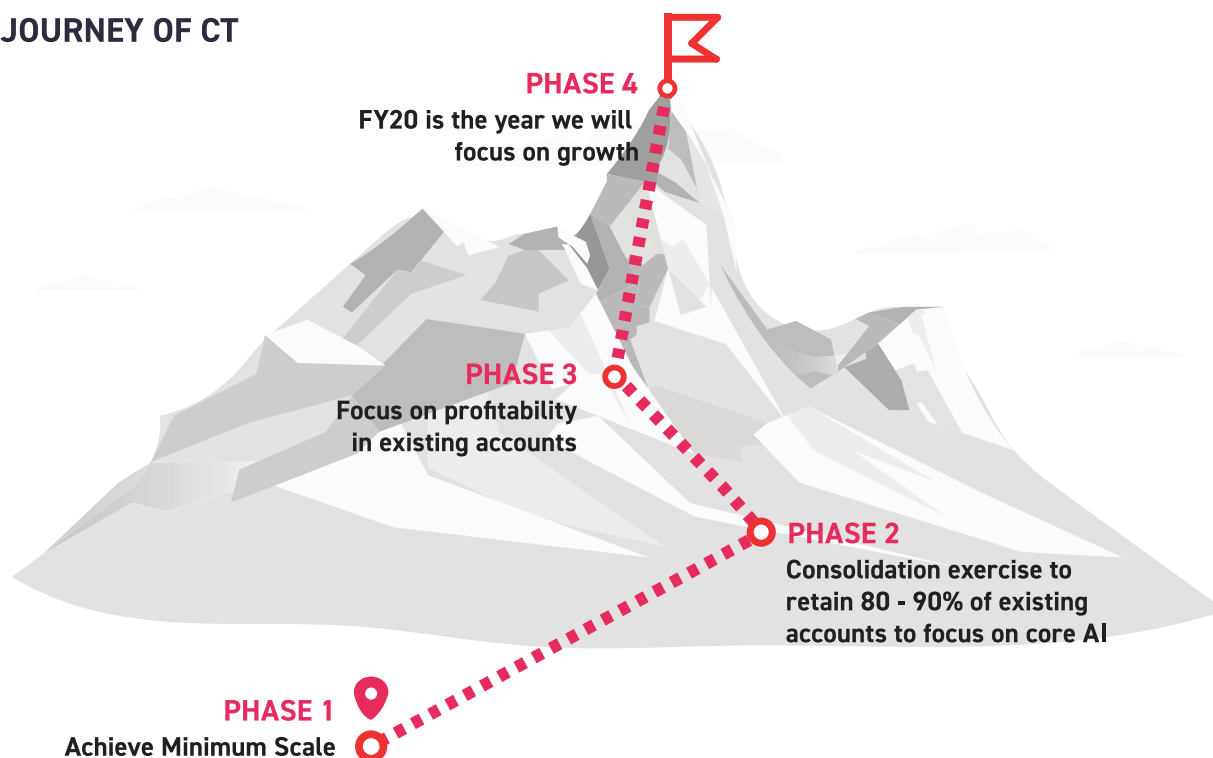
The last generation of trillion dollars were created out of traditional Indian IT technology businesses that were focused on back end and costs. The next trillions of dollars will be created by front end innovation driven technology companies focused on value.

Hence, the business models will change. The cost arbitrage model was based on the concept of Time and Material and Fixed Price. The next generation innovation business model will be based on a piece of value.

ABOUT CAMBRIDGE TECHNOLOGY

Cambridge Technology (CT) is a leading global technology company focused on Artificial Intelligence as a Service (AlaaS) to transform organizations into AI-first leaders.

JOURNEY OF CT



Phase 1: To achieve minimum scale

In the first phase which started in 2015, your company focused on achieving minimum scale to allow it to be better prepared to take advantage of the market opportunity. In FY15, the base revenues were INR 33 cr and the company believed that it will take two years to get to a minimum scale.

During this phase, your company focused on three critical areas:



Building partnerships



Acquiring referenceable clients in chosen verticals



Acquiring relevant expertise in technologies

Phase 2: Consolidation exercise to improve profitability and scalability

Based on market feedback, your company initiated a consolidation exercise in February 2017 (Q4FY17) to retain the right pieces of the business and knit it all together in a thoughtful manner to improve its profitability and scalability.

Consolidation means figuring out the verticals and technologies that were more profitable and scalable. Post the consolidation exercise in August 2017 (Q2FY18), the company closed down 10-20 percent of the business and retained only 80-90 percent of its old base for this objective.

Phase 3: Focus on profitability in existing accounts

In the next phase, your company focused on building a body of work i.e. case studies and proof of concepts to demonstrate the value of AI to its clients. With referenceable clients in place, the company conducted events to engage with a broader set of new clients.

Implemented measures to streamline operations by closing its Chennai premises and consolidating in Philippines and Hyderabad, resulting in one-time restructuring expenses. The company focused on adding enterprise clients that are leaders in their verticals.

The company has shown remarkable improvement in business and profitability despite these measures to focus on building the foundation for next phase of growth in AI and ML.

Phase 4: In FY20, your company is in a positive light with focus on growth

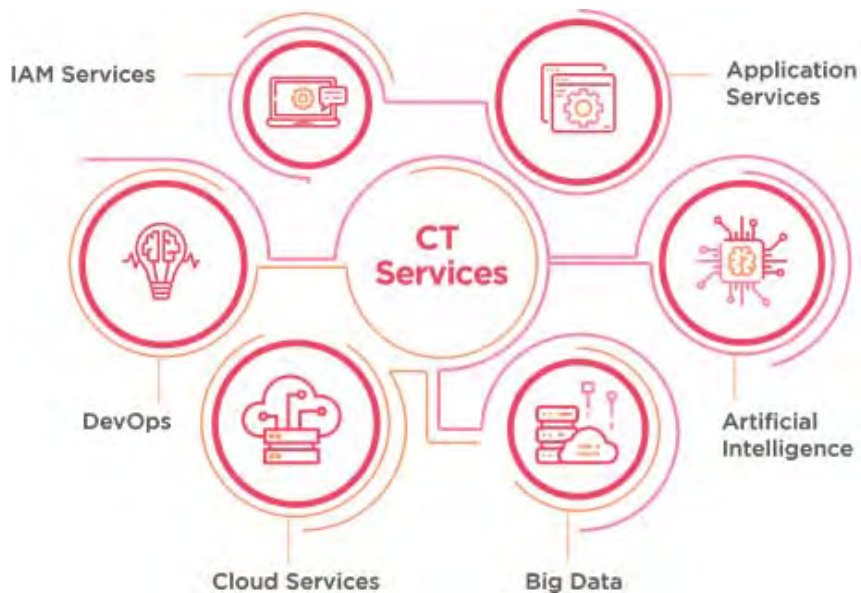
FY20 is the year in which your company will focus on growth and profitability. The company is confident of staying innovative amid the fastest pace of transformation with its strong focus on delivery and AI. It aims to consolidate innovation, skills and delivery for best customer value.

The trade of your company is to stop focusing on one stop bespoke service contracts and focus more on long term predictable value driven contracts which is based on proprietary intellectual IP. The company is building its SaaS based long term revenue model using building reusable, scalable blocks of technology.

SERVICE OFFERINGS

TRANSFORMING INDUSTRIES AND BUSINESSES

AI is not a one-size-fits-all solution. It needs incorporation of numerous aspects of technologies, platforms, and services tailored to meet the specific business needs. Your company offers solutions ranging from strategic workshops to AlaaS implementation and elements that are required to put all of these things together.



There is no guarantee that legendary MNCs will survive, and new-age businesses may not have all the tools to transform industries. They are the 'have-nots' and will need assistance. Your company is transforming businesses across six verticals namely Energy, Life Sciences & Pharmaceuticals, Industrials, BFSI, Data Infrastructure (Security and Access Management) and Rapid Prototyping.



1. Energy

- a. AI can revolutionize the way energy is produced, transmitted and consumed. For instance, about 40 percent of total US energy consumption is consumed by the residential and commercial sectors. Advances in AI and smart grid infrastructure will see potential challenges in Energy sector getting resolved. Powerful computation models can help reduce dependency on energy, availability, costs and consumption.
- b. In this vertical, your company serves one of the world's largest energy management and automation specialist companies.
- c. The company's clientele includes a Silicon Valley based technology company reinventing energy management using AI and IOT for small-format, multisite enterprises like Cycle Gear, Pizza Hut.

2. Life Sciences

- a. The use of transformative technologies to understand the complexities that arise from the combination of a variety of data from areas like clinical research, plants and animal genomics could reveal completely innovative approaches to treatment of diseases.
- b. With the use of AI, the time spent to make a drug discovery can be brought down significantly by migrating to virtual trials to detect patterns and anomalies.
- c. In this vertical, your company serves a global leader in pet nutrition and nutrigenomics.

3. Industrials

- a. In this vertical, your company serves a leading industrial and consumer company to predict shift in demand and change in demand.
- b. For this client, the company articulated the problem as a multi arm bandit maximization problem. The solution aims at optimizing the client conversion ratio in one of the key lines of businesses of the client by employing a systematic, automated and statistically sound methodology to optimally formulate offers.
- c. For more details refer press release <https://www.ctepl.com/cte-announces-new-client-ai-service/>

4. Banking, Financial Services & Insurance (BFSI)

- a. Your company serves a US based pioneering platform in building cross-border electronic trading infrastructure to enable global institutional flows and provide a unique distribution and regulatory network for capital raising in the global markets.
- b. In Insurance, your company serves Roadzen Inc., a transformative insurtech company, transforming global auto insurance with its multi-platform solutions for underwriting, claims management, inspection and roadside assistance. Its technology platform uses ML, telematics and mobility solutions to revolutionize the insurance experience for consumers and substantially improve the operational protocols for insurance companies.
- c. Roadzen has a partnership with the Axa Group, the French multinational insurance group, and also works with some of Europe's other large insurers, such as Allianz, AIG and Generali. In 2017, Roadzen acquired AXA Assistance, the India unit of the AXA Group.

5. Data Infrastructure

- a. According to CISCO, Global Internet traffic in 2021 will be equivalent to 127 times the volume of the entire global Internet in 2005 and annual global IP traffic will reach 3.3 ZB by 2021.
- b. This presents a huge opportunity to collaborate Information Management with AI in the areas like data storage, fraud detection and prevention, compliance reporting, risk management to name a few.
- c. In this vertical, your company serves one of the world's largest companies in storage and information management solutions.

6. Rapid Prototyping

- a. In this vertical, your company serves companies like Authess and EasyKnock. Founded by former provost at MIT, Authess is a leader in AI-driven authentic assessments. Launched in 2016, EasyKnock is the first institutionalized sale leaseback residential prop-tech platform in the world.

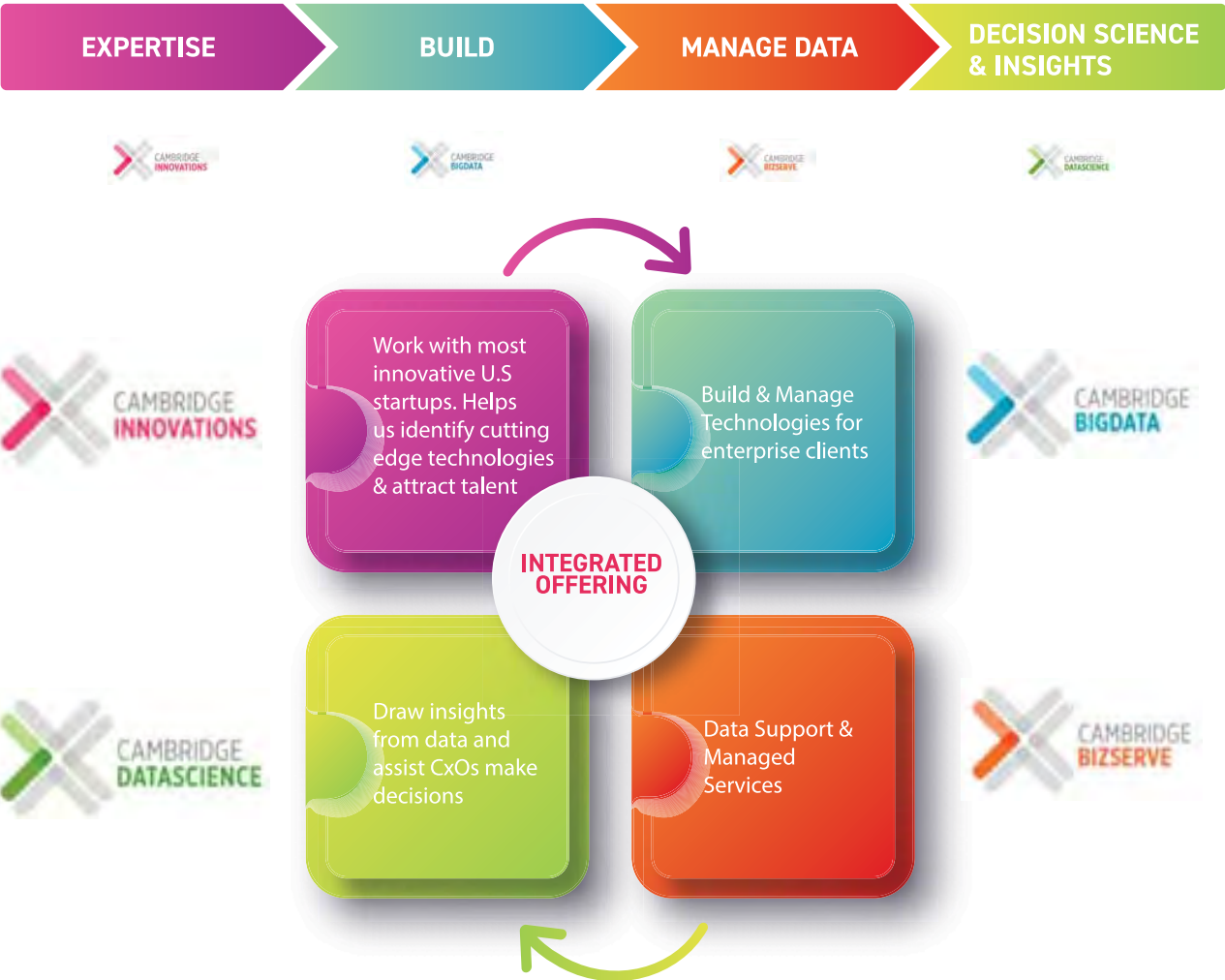
OUR PROGRESS

1. Integrated End To End Offerings

Businesses need a lot of elements to implement AI.

They need an element of innovation offered by "Cambridge Innovations" where your company works with innovative US startups, then they need an element of Big Data and Cloud which is provided by "Cambridge Big Data" where your company serves enterprise clients, they need the elements of "Cambridge BizServe" that allows to manage data and most importantly, draw insights to take the decisions, offered by "Cambridge Datascience".

Your company's offerings fit together because of its understanding towards the entire lifecycle of a business.



2. Certified Team of Professionals

Your company is one of the few organizations in the world with 100 percent AWS certified Cloud Operations Centre with proven experience of over 10 million instance management hours.

3. Strategic Importance To AWS

- Your company launched its cloud practice in the 1st quarter of 2010 and over the years, the company has built its expertise across the AWS platform – as the AWS platform grew so have your company's capabilities.
- Your company is differentiated from more than 10,000 AWS partners globally by achieving competencies in Big Data (one of 31 partners), DevOps (one of 73 partners), Oracle (one of 16 partners) and a Managed Services Provider (one of 114).
- Your company is the only company to score perfectly in its MSP 3rd party audit.
- Your company's capabilities span an expansive set of services complimentary to the AWS (also Azure, Google, Oracle) platform through the building of practices that support Application Development, DevOps, Cloud, Managed Services, Big Data, Analytics, AI/ML and IoT.
- Your company's cloud-managed services on AWS are supported by a 100 percent AWS certified team of IT professionals.



4. Strong Partner Ecosystem For Referenceability

Your company has strengthened its partner ecosystem to provide access to cutting edge solution to its clients.



5. Focused On USA – Presence In India, USA And Philippines

- In line with providing its global clients access to 24/7 development cycle, your company has expanded its presence across USA, India and Philippines.
- The company realizes the significance of trained and skilled employees and has invested heavily into training employees through its competency centers.

6. CERTIFICATIONS

Your company is appraised at Level 5 of the CMMI Institute's Capability Maturity Model Integration (CMMI)[®] v1.3 for its services.

Awarded ISO/IEC 20000-1:2011 certification in recognition of IT service management excellence. Attainment of this ISO/IEC 20000-1:2011 certification validates that your company meets international standards for IT Service Management Systems.



Outlook

Your company is excited to enter into its next phase of growth. Your company's trained employees, deep delivery capabilities, technological expertise, client interests demonstrated by exciting new projects and opportunities shows the path to be followed. With a strong foundation on delivery and AI, the company is in a positive light to deliver growth.

Threats, Risks & Concerns

The potential threats and risks are usually aligned either to change in the external environment such as changes in the technology/customer preferences/business dynamics or finding the right talent and retaining them. Your company is well positioned to minimize the potential identified threats and risks, and the way it does is detailed below:

Changing Technological Trends

With the rapid advancements in technology in this day and age it becomes imperative for the service provider to keep pace and adopt the learning curve. We constantly endeavor to stay ahead of the curve by building capabilities that meet the current and future needs of our customers.

Training

At your company all employees undergo relevant set of trainings imperative to serve the existing and future business needs. This helps greatly minimize the risk of change of technology.

Attracting and Retaining Talent

Finding the right kind of talent and retaining them could pose a challenge for a business like ours. The dynamic nature of technology, increasing demand from clients, etc., warrants the company to focus on finding the right kind of talent and their retention for its existence and delivering sustainable growth. Hiring the best of the breed talent forms the core belief at your company.

Financial Risk

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The details related to financial risk management are provided in Note 34 of the Standalone Financial Statements which forms part of the annual report.

Exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollars against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Competition

The IT services industry is intensely competitive with local and MNC players, each with a sizable presence in the market. Competitive pressure could adversely affect pricing strategy for services, impacting growth and profitability. To remain competitive over the years, your company has developed deep domain knowledge and delivery capabilities with skilled workforce.

FINANCIAL AND OPERATIONAL PERFORMANCE

CONSOLIDATED PERFORMANCE

YEAR	2018 - 19	2017 - 18	Change (in %)
Revenue from operations	102.55	99.10	3.48
Total Expenses	84.11	87.42	-3.79
Profit Before Tax	19.78	12.22	61.86
Profit After Tax	18.85	12.91	46.01
Total Comprehensive Income	4.05	10.34	-60.81
Reserves & Surplus	41.53	37.36	11.18
EPS	9.60	6.58	45.99

a. Revenue

Revenue increased by 3.5% to INR 102.55 crores ("cr") for the year ended 31st March, 2019 as compared to INR 99.10 cr for the same period last year.

b. Profit Before Tax

Profit Before Tax increased by 62% at INR 19.78 cr for the year ended 31st March, 2019 as compared to INR 12.22 cr for the same period last year.

c. Profit After Tax, Comprehensive Income & Reserves and Surplus

Profit After Tax increased by 46% to INR 18.85 cr for the year ended 31st March, 2019 as compared to INR 12.91 cr for the same period last year, whereas, Total Comprehensive Income decreased by 61% during the FY 2018-19. Reserves and Surplus have increased from INR 37.36 cr in FY 2017-18 to INR 41.53 cr in FY 2018-19.

d. Expenditure

Total Expenditure decreased by 3.78% to INR 84.11 cr for the year ended 31st March, 2019 as compared to INR 87.42 cr for the same period last year. Out of the above, Employee benefits expense stood at INR 46.57 cr in FY 2018-19 as compared to INR 35.98 cr for the same period last year.

STANDALONE PERFORMANCE

YEAR	2018 - 19	2017 - 18	Change (in %)
Revenue from operations	36.66	63.05	-41.86
Total Expenses	34.28	59.06	-41.96
Profit Before Tax	2.79	4.53	-38.37
Profit After Tax	1.95	3.45	-43.32
Total Comprehensive Income	1.55	3.37	-54.01
Reserves & Surplus	13.69	12.11	13.04
EPS	1.00	1.76	-43.32

a. Revenue

Revenue decreased by 42% to INR 36.66 cr for the year ended 31st March, 2019 as compared to INR 63.05 cr for the same period last year.

b. Profit Before Tax

The PBT decreased by 38% at INR 2.79 cr for the year ended 31st March, 2019 as compared to INR 4.53 cr for the same period last year.

c. Profit After Tax, Comprehensive Income & Reserves and Surplus

Profit After Tax decreased by 43% to INR 1.95 cr for the year ended 31st March, 2019 as compared to INR 3.45 cr for the same period last year, whereas, Total Comprehensive Income decreased by 54% during the FY 2018-19. Reserves and Surplus have increased from INR 12.11 cr in FY 2017-18 to INR 13.69 cr in FY 2018-19.

d. Expenditure

Total Expenditure decreased by 42% to INR 34.28 cr for the year ended 31st March, 2019 as compared to INR 59.06 cr for the same period last year. Out of the above, employee benefits expense stood at INR 23.39 cr in FY 2018-19 as compared to INR 21.81 cr for the same period last year.

The details of the financial performance of your company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual report.

SEGMENT INFORMATION

The primary business segment of your Company is Information Technology Services.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company's board and management team monitor and make enhancements to your company's systems for internal control and risk management on an ongoing basis. Your company's efforts towards this go beyond what is mandatorily required, with active monitoring and review to ensure adequacy of control systems and to identify potential risks as well as recommend or implement measures to mitigate them.

Your Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, reported and recorded correctly. Your company's internal control system is adequate considering the nature, size and complexity of its business. Your company's internal control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company assets. These also enable your company to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

Your company's internal control systems are supplemented by an internal audit program and periodic reviews by the management. Your company has appointed an independent audit firm as its Internal Auditors and the Audit observations are periodically reviewed by the Audit Committee of the Board of Directors and necessary directions are issued, wherever required. The existing internal control systems and their adequacy have been reviewed extensively during the year by internal auditors and statutory auditors. They have expressed an opinion that the internal control system is adequate and functioning effectively.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your company is committed to create an environment of learning and development, openness, promote internal talent and build an appreciating culture and transparent communication. Your Company has created platforms for recognizing and motivating employees for the good work they do in the organization. Sound human resource development policies of your Company ensures that each employee grows as an individual and contributes to the performance of your Company. It also works towards building a work culture aimed at achieving higher performance orientation. Recognition and Appreciation culture in the Company has been further strengthened. It also continues to build on the engagement level of employees.

Our employees are our most important and valuable assets. All your Company's policies are focused towards a healthy, happy and prosperous work environment for its employees and thereby also fulfill the aspirations of the people at work. The key elements that define our culture include professional working environment, training and development, and compensation.

As of 31 March 2019, your Company had 235 employees on its rolls. The headcount of the Company along with its subsidiaries is 316.

FINANCIAL RATIOS

Following are ratios for the current financial year and their comparison with preceding financial year, along with explanations where the change has been 25% or more when compared to immediately preceding financial year:

STANDALONE

S.NO	Ratio Description	March 31, 2019	March 31, 2018	Change (%)	Explanation
1	Debtors Turnover	5.49	7.66	-28.33	The Debtors Turnover Ratio is decreased to 5.49 in the current year when compare from the previous year of 7.66 because of its effective collection from the outstanding receivables and also the turnover has been reduced during the year because of completion of special project with yes bank.
2	Inventory Turnover	NA	NA	NA	NA
3	Interest Coverage Ratio	6.67	13.97	-52.25	The company interest coverage ratio has been decreased to 6.67 from the previous year of 13.97 due to increase in debt.
4	Current Ratio	1.53	1.21	26.45	The current ratio is 1.53 for the year when compare to previous year of 1.21 due to service the short term liabilities during the year satisfactorily.
5	Debt Equity Ratio	0.04	0.01	300	The debt equity ratio is higher when compare to previous year from 0.01 to 0.04 where there is an increase in using to finance the company assets to meet its obligation during the year and trying to take appropriate measures to mitigate the exposure by putting more efforts to gain new projects which are in pipeline.
6	Operating Profit Margin (%)	8.76	7.71	13.74	The Operating profit margin is increased to 8.76 from 7.71 due to control of its direct costs and review of its pricing strategies in regular intervals resultant to increase in core business profit when compare to the previous year.
7	Net Profit Margin (%)	7.62	7.19	5.98	The net margin is increased to 7.62 from 7.19 due to control of its direct costs and reduction of a special project cost with yes bank when compare to previous year.
8	Return on Net Worth (%)	6	11	-45.46	The return on net worth has been decreased from the previous year from 11 to 6 in the current year due to decrease in its revenue margin from YES Bank Project. The company is trying to increase its internal accruals by putting more efforts to gain new projects which are in pipeline to increase its earnings.

CONSOLIDATED

S.NO	Ratio Description	March 31, 2019	March 31, 2018	Change (%)	Explanation
1	Debtors Turnover	1.61	6.34	-74.61	The Debtors Turnover Ratio is decreased to 1.61 in the current year when compare from the previous year of 6.34 due to slow down in collection cycle with increasing delay in payments.
2	Inventory Turnover	NA	NA	NA	NA
3	Interest Coverage Ratio	13.79	7.44	85.35	The company interest coverage ratio has been increased to 13.79 from the previous year of 7.44 is due to increase in debt in holding company.
4	Current Ratio	1.73	1.27	36.22	The current ratio is 1.73 for the year when compare to previous year of 1.27 due to service the short term liabilities during the year in the group.
5	Debt Equity Ratio	0.02	0.01	100	The debt equity ratio is higher when compare to previous year from 0.01 to 0.02 is mainly due to increase in using to finance the company assets in its Holding company.
6	Operating Profit Margin (%)	20.68	13.99	47.36	The operating profit margin is increased to 20.68 from 13.99 due to control of direct costs of its subsidiaries and review of its pricing strategies in regular intervals resultant to increase in core business profit when compare to the previous year.
7	Net Profit Margin (%)	19.28	12.33	56.37	The net margin is increased to 19.28 from 12.33 due to control of direct costs of its subsidiaries and reduction of a special project cost with yes bank in the holding company when compare to previous year.
8	Return on Net Worth (%)	24.10	22.10	9.05	The return on net worth of the Group has been increased to 24.10 when compare to last year 22.10 due to increase in overseas projects handled by group overseas subsidiaries.

CAUTIONARY STATEMENT

Certain statements in this report or elsewhere in the Annual Report may contain statements concerning Cambridge Technology Enterprises Limited and its growth prospects, expected financial position, business strategy, future development of the company's operations, general economy, industry structure and other developments that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of actual results, future performance or achievements and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, changes in government policies or regulations of India, changes relating to the administration of the company, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this report. The Company assumes no obligation to update any forward-looking information contained in this report.



Corporate Governance Report

CORPORATE GOVERNANCE REPORT

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Cambridge Technology Enterprises Limited ("CTEL" or "the Company") shall endeavor to adhere to values of good corporate governance and ethical business practices to maintain sound standards of Business Conduct and Corporate Governance.

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. For Cambridge Technology Enterprises Limited, however, good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management with a decision making model based on decentralization, empowerment and meritocracy, to adopt the best practices in Corporate Governance, to consistently communicate and make timely disclosures and share accurate information regarding financials and performance, to ensure that the Directors of the Company are subject to their duties, obligations, accountability and responsibilities, so as to ensure transparency, integrity and accountability to enhance the value of the stakeholders and achieve sustainable growth of the Company.

B. BOARD DIRECTORS

Composition and Category of Directors

The Board consists of Six directors comprising 2 (Two) Non - Independent Executive Directors (Whole-time Directors), 1 (one) Non-Independent Non-Executive Director and 3 (Three) Independent Non-Executive Directors as on March 31, 2019 as on the date of this report. The composition of the Board and category of Directors are as follows:

S. No	Name of the Director	Category
1	Mr. Aashish Kalra DIN: 01878010	Non – Independent, Executive
2	Mr. Dharani Raghurama Swaroop DIN: 00453250	Non – Independent, Executive
3	Mr. Motaparthi Kasi Venkateswara Rao DIN: 01001056	Independent Director, Non - Executive
4	Dr. Jayalakshmi Kumari Kanukollu DIN: 03423518	Independent Director, Non - Executive
5	Dr. Usha Srikanth DIN: 08184237	Independent Director, Non - Executive
6	Mr. Stefan Hetges DIN: 03339784	Non – Independent, Non - Executive

Mr. Bendapudi Muralidhar (DIN: 0385208) has resigned as an Independent Director of the Company w.e.f May 21, 2018. The Board of Directors at their Meeting held on August 07, 2018 appointed Ms. Usha Srikanth having DIN 08184237 as an Additional and Independent Director of the Company w.e.f August 07, 2018 subject to approval of members. The members approved her appointment as an Independent Director of the Company by passing special resolution at 19th Annual General Meeting dated September 28, 2018.

The earlier term of Mr. Dharani Raghurama Swaroop, Whole – time Director was upto March 01, 2019. The Board of Directors at their meeting held on August 07, 2018 has passed a resolution for re-appointment of Mr. Dharani Raghurama Swaroop (DIN: 0453250) as a Whole-time Director for a further period of 5 (five) years from the expiry of his present term, that is, March 01, 2019 subject to members approval. The members approved the same by passing special resolution at 19th Annual General Meeting dated September 28, 2018.

Further, the earlier term of Mr. Motaparthi Kasi Venkateswara Rao ("Mr. Venkat Motaparthi"), Independent Director expired on March 31, 2019. The Board of Directors at their meeting held on August 07, 2018 has passed a resolution for re-appointment of Mr. Venkat Motaparthi (DIN: 01001056) as an Independent Director for a further period of 5 (five) years from the expiry of his present term, that is, March 31, 2019 subject to members approval. The members approved the same by passing resolution at 19th Annual General Meeting dated September 28, 2018.

The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The composition of the Board represents the finest blend of professionals from various backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership which enables it to ensure long term value creation for all stakeholders.

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Listing Regulations and the Companies Act, 2013. All the Directors have made necessary disclosures regarding Committee positions and Directorships held by them in other companies. None of the Directors is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which they are directors.

Number of Board Meetings held during the year 2018-19:

The Board of Directors duly met 6 times during the financial year from 1st April, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows:

28th May 2018, 07th August 2018, 9th November 2018, 18th January 2019, 11th February 2019 & 29th March 2019. The necessary quorum was present for all the Board Meetings and the 19th Annual General Meeting. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The board of directors periodically reviewed compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as also steps taken to remediate instances of non-compliances, if any. The Board is satisfied that the succession plan is in place for appointment to the board of directors and senior management.

Details of Directors, their Attendance and other Directorships/Committee Memberships as on 31 March 2019:

Name of the Director	Category	Number of Board Meetings attended during the year 2018-19	Whether attended last AGM held on 28 th September, 2018	No. of Directorships in other companies		No. of committee positions in other companies	
				Chairman	Member	Chairman	Member
Aashish Kalra DIN: 01878010	Non-Independent, Executive	2	No	-	3	-	-
Dharani Raghurama Swaroop DIN: 00453250	Non-Independent, Executive	6	Yes	-	1	-	-
Stefan Hetges DIN: 03339784	Non-Independent, Non - Executive	1	No	-	1	-	-
Motaparthi Venkateswara Rao Kasi DIN: 01001056	Independent Director, Non-Executive	5	Yes	-	1	-	-
Jayalakshmi Kumari Kanukollu DIN: 03423518	Independent Director, Non-Executive	6	Yes	-	1	-	1
Usha Srikanth * DIN: 08184237	Independent Director, Non - Executive	2	Yes	-	Nil	-	-

*Appointed as an Independent Director w.e.f August 07, 2018

Note:

- (1) The directorships, held by Directors as mentioned above, do not include directorships in foreign companies.
- (2) In accordance with regulation 26(1) of the Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Cambridge Technology Enterprises Limited) have been considered.
- (3) Mr. Bendapudi Muralidhar, Independent Director resigned w.e.f May 21, 2018.

Names of the listed entities where the person is a Director and the Category of Directorship:

Name of the Director	Name of the listed entities in which a person holds Directorships	Category
Aashish Kalra DIN: 01878010	Cambridge Technology Enterprises Limited	Non – Independent, Executive
Dharani Raghurama Swaroop DIN: 00453250	Cambridge Technology Enterprises Limited	Non – Independent, Executive
Stefan Hetges DIN: 03339784	Cambridge Technology Enterprises Limited	Non – Independent, Non - Executive
Motaparthi Kasi Venkateswara Rao DIN: 01001056	Cambridge Technology Enterprises Limited	Independent Director, Non - Executive
Jayalakshmi Kumari Kanukollu DIN: 03423518	1. Cambridge Technology Enterprises Limited 2. Brightcom Group Limited	Independent Director, Non - Executive
Usha Srikanth DIN: 08184237	Cambridge Technology Enterprises Limited	Independent Director, Non - Executive

Disclosure of relationships between directors inter-se

None of the Directors/Board members are related to the other.

Number of shares and convertible instruments held by Non-Executive Directors: Nil

Web link where details of familiarization programmes imparted to Independent Directors is disclosed

The Directors of the company have been briefed on the following matters at the meetings of the Board / Committees thereof.

- Role, functions, duties, responsibilities and liabilities of Independent Directors under corporate, securities laws and also Code for Independent Directors.
- Financial results of the Company and that of its subsidiary companies.
- Nature, Business Model and Operations of the company and geographies in which company operates.
- Updates on development of business of the company.
- Update on statutory and regulatory changes and impact thereof.
- Overview of Board Evaluation process and procedures, etc.

Details of the familiarization programmes imparted to Independent Directors are placed on the website of the Company.

Weblink: <https://www.ctepl.com/pdfs/investors/Familiarisation-Programme-CTEL-2019.pdf>

Web link where terms and conditions of appointment of Independent Directors is disclosed

The terms and conditions of appointment of Independent Directors is also disseminated on the website of the Company. Web link: http://www.ctepl.com/pdfs/investors/Terms_of_appointment_of_independent_Directors.pdf

A Chart or a matrix setting out the skills/expertise/competence of the Board of Directors

Pursuant to Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated May 09, 2018, the Board of Directors identified the following list of skills/expertise/competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

skills/expertise/competencies as required in the context of its business(es) and sector(s) for it to function effectively	skills/expertise/competencies actually available with the board
Workplace & Personal Effective Competencies	
Interpersonal Skills, Innovative Thinking, Analytical Skills, Professionalism, Planning, Problem Solving, Initiation, Mentoring and Leadership Abilities, Corporate Ethics and Values	The Directors have workplace and personal effective competencies in guiding and leading Board as well as management teams.
Industry-Wide Skills and Experience	
Planning, Strategy Management and Business Leadership of Information Technology Industry, Industry Knowledge and Engagement, Business Operations Understanding.	The Board has eminent Directors who have experience and knowledge in IT industry which helps in growth of the business, planning, making strategic choices and decisions in uncertain environments. The Board especially the Whole – time Director have Business Intelligence and an overall understanding of Global Business Dynamics.
Business Intelligence, Understanding of Global business Dynamics.	
Academics	
Accounting and Financial Expertise	The Board has eminent business leaders with knowledge of Accounts and Finance.
Engineering, Computers, Law, Taxation, Foreign Exchange, Economics, Human Resources, Research, etc.	The Board of Directors have profound knowledge of subjects essentially required by the Company such as Engineering, Computers, Foreign Exchange, Economics, Human Resources, Research, etc.
Governance	
Compliance, Corporate Governance & Regulatory understanding, driving Corporate Ethics and Values.	The presence of directors with expertise in Compliance, Corporate Governance, Regulatory affairs, Corporate ethics and Values lends strength to the Board.

Confirmation

The Board be and is hereby confirms that in its opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Detailed reasons for the resignation of an Independent Director before the expiry of his tenure

Mr. Bendapudi Muralidhar, Independent Director has resigned w.e.f May 21, 2018 before the expiry of his tenure. However, pursuant to Clause (2)(j) in Part C of Schedule V of Listing Regulations dealing with 'Corporate Governance Report, the detailed reasons for the resignation is not provided as the said clause was not applicable at the time of his resignation.

C. COMMITTEES OF THE BOARD

Note: The composition of various committees of the board of directors is disseminated on the website of the Company.

Weblink: http://www.ctepl.com/pdfs/investors/Composition_of_Board_of_Directors.pdf

I. Audit Committee

The composition, authority, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015') and/or as entrusted on it by the Board of Directors from time to time.

Brief Description of terms of reference of the Committee inter-alia include:

- Reviewing with the management and examining the annual financial statements and auditor's report thereon and quarterly financial statements and limited review report thereon before submission to the board for approval.
- Prior approval/approval or any subsequent modification of transactions of the listed entity with related parties;
- Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Reviewing the adequacy of internal audit function and functioning of the whistle blower mechanism.
- Carry out additional functions as is contained in the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and as may be amended from time to time] or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee or as delegated by the Board of Directors from time to time or as the Committee may deem fit.

Composition, meetings & attendance during the year

The Audit Committee comprises of two Non-Executive Independent Directors and one Executive Director.

It is chaired by Mr. Venkat Motaparthy. Five meetings of the Audit Committee were held during the financial year 2018-19. The dates on which the said meetings were held are as follows:

28th May 2018, 07th August 2018, 9th November 2018, 11th February 2019 & 29th March 2019. The maximum gap between any two Meetings of the Committee held during the year was not more than 120 days.

The composition of Audit Committee and particulars of meeting attended by the members of the Audit Committee are given below:

Name & category	Designation	No of meetings attended during the year 2018-19
Mr. Venkat Motaparthy, Non-Executive & Independent Director	Chairman	5
Mr. Dharani Raghurama Swaroop, Executive Director	Member	5
Mrs. K Jayalakshmi Kumari, Non-Executive & Independent Director *	Member	5

* Mrs. K Jayalakshmi Kumari was appointed as a member of the committee w.e.f May 22, 2018.

Mr. Bendapudi Muralidhar ceased to be a member of the committee on his resignation from the Board with effect from May 21, 2018.

The Company Secretary of the Company acts as the Secretary to the Audit Committee and he was present at all the meetings of the Committee. The meetings are usually attended by the members of the Committee, Chief Financial Officer, Company Secretary and representatives of Statutory Auditors & Internal Auditors.

Internal Audit:

M/s. Narven & Associates, Internal Auditors of the Company have carried out the internal audit for the FY 2018-19. The reports and findings of the Internal Auditor are periodically reviewed by the Committee.

II. Nomination and Remuneration Committee**Terms of Reference**

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations, 2015 and/or as entrusted on it by the Board of Directors from time to time.

The Company has adopted the Remuneration Policy as required under the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. Performance Evaluation, Nomination and Remuneration Policy is available on the website of the Company.

Web-link: http://www.ctepl.com/pdfs/investors/Performance_evaluation_nomination_remuneration_policy.pdf

The Brief terms of reference of the committee inter-alia includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- devising a policy on diversity of board of directors;
- specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board of directors their appointment and removal, recommending and administering employee stock option scheme and
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Carrying out any other function as is mentioned in the terms of reference of the nomination and remuneration committee.
- Other roles and responsibilities/Carrying out additional functions, if any, as is contained in Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and as may be amended from time to time] or other regulatory requirements applicable to the Company or in the terms of reference of the Nomination and Remuneration Committee or as delegated by the Board of Directors from time to time or as the Committee may deem fit.

Composition and meeting

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive & Independent Directors including Chairman. The composition of the Nomination & Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

Number of Meeting(s) held during the year

During the year, there were three meetings held by the Nomination and Remuneration Committee respectively on 28th May 2018, 07th August 2018 & 29th March 2019.

Composition, name of Members and attendance during the year

Name of the Director	Position	No. of Meetings Attended
Ms. K Jayalakshmi Kumari*	Chairman	3
Mr. Venkat Motaparthy **	Member	3
Ms. Usha Srikanth#	Member	Nil

* Ms. K Jayalakshmi Kumari, member of the committee is appointed as chairman of the committee w.e.f August 07, 2018.

** Mr. Venkat Motaparthy ceased to be Chairman of the committee w.e.f August 07, 2018 and he is continuing as a member of the committee.

Ms. Usha Srikanth is appointed as a member of the committee w.e.f August 07, 2018.

Note: Mr. Bendapudi Muralidhar ceased to be a member of the committee on his resignation from the Board with effect from May 21, 2018.

The Company Secretary of the Company acts as the Secretary to the Nomination & Remuneration Committee and he was present at all the meetings of the Committee.

Performance Evaluation of Board, Committees & Independent Directors

An annual evaluation of performance of the Board, its Committees and of individual Directors including Chairman has been carried out and is stated elsewhere in Directors Report. The Board is committed to assessing its own performance as a Board (including Committees) in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee established the processes for evaluation of performance of Directors including Independent Directors, the Board and its committees.

Performance evaluation criteria for Independent Directors

The criteria for performance evaluation of the individual Directors including Independent Directors include aspects like qualifications, experience, competency, professional conduct, sufficient understanding and knowledge of the entity, fulfilling of functions, active initiation with respect to various areas, attendance at the meetings, contribution to the company and board meetings, commitment to the Board, integrity, etc., In addition to the above, the performance of Independent Directors is further evaluated on aspects such as independence from the entity and other directors, exercise of his/her own judgement and expressing of opinion. In addition, the performance of the Chairman is also evaluated on key aspects of his leadership, decisiveness, commitment to the Board, roles and responsibilities, etc.

Board Diversity

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and is available on the website of the Company at <http://www.ctepl.com>.

Succession Planning

The Nomination and Remuneration Committee works with the Board for succession planning for its Directors, KMPs and senior management.

Remuneration of Directors:

- a. There were no pecuniary relationship or transaction of any non-executive director(s) of the Company vis-à-vis the Company.
- b. The Non-Executive / Independent Directors may receive sitting fees, travelling, accommodation and other expenses incidental thereto for attending meetings of Board or Committee thereof. An Independent Director is not entitled to any stock options of the Company. The Company has not paid any remuneration to its non-executive directors during the year, except the sitting fees paid for attending the meetings of the Board and the Committees. The nomination and remuneration policy which includes criteria of making payments, if any, to non-executive directors is available on the Company's website. Web link: <http://www.ctepl.com/investors/>

Details of sitting fees paid to non-executive Directors are as follows:

NAME OF THE DIRECTOR	AMOUNT (IN RUPEES)
Mr. Venkat Motaparthy	170,000
Mrs. K. Jayalakshmi Kumari	180,000
Ms. Usha Srikanth	20,000
Mr. Stefan Hetges	10,000

- c. Details of the remuneration of Executive Directors and Non-Executive Directors for the year ended 31st March, 2019 are as follows:

(in INR)

Name	Salary	Perquisites & other benefits	Performance Linked Incentives / Other Bonus / Variable Pay	Others - leave encashment	Sitting fees	Stock Options*	Total
Aashish Kalra, Whole – time Director	-	-	-	-	-	-	-
Dharani Raghurama Swaroop*, Whole – time Director	20,41,665	3,33,334	83,334	166,667	-	20,000 stock options granted on July 10, 2015.	26,25,000
Venkat Motaparthy, Independent Director	-	-	-	-	170,000	-	170,000
K Jayalakshmi Kumari, Independent Director	-	-	-	-	180,000	-	180,000
Ms. Usha Srikanth, Independent Director	-	-	-	-	20,000	-	20,000
Mr. Stefan Hetges, Non-Executive Director	-	-	-	-	10,000	-	10,000

- Stock Option details: During FY 2015 – 16, Mr. Dharani Raghurama Swaroop, has been granted 20,000 stock options at an exercise price of Rupees 38/- and the same have not been issued at discount. The vesting of options took place at the expiry of three (3) years from the date of granting of options i.e., on July 11, 2018. However, in no case the exercise period shall be extended beyond five years from the date of first vesting.
- Details of fixed component and performance linked incentives along with performance criteria: In addition to the above mentioned remuneration i.e, fixed component, w.e.f March 01, 2019, Mr. Dharani Raghurama Swaroop is eligible to receive Variable Pay upto an amount of Rupees 10,00,000/- per annum for each of the financial years starting from 2019-20 and for part thereof of the financial year 2018-19, subject to the applicable provisions of section 197 read with Schedule V of the Companies Act, 2013, taking into consideration various criteria including the performance of Mr. Dharani Raghurama Swaroop and the performance of the Company.
- Service contracts, notice period and Severance fees: The appointment of Whole - time Directors is governed by resolutions passed by the Nomination & Remuneration Committee, Board of Directors and the Shareholders of the Company, which cover remuneration and the terms and conditions of such appointment read with the policy of the Company and letter of appointment, if any. Effective May 14, 2015, Mr. Aashish Kalra was appointed as Whole – time Director for a period of 5 years and effective March 01, 2019, Mr. Dharani Raghurama Swaroop is re-appointed as Whole – time Director for a period of 5 years. Shareholders may refer the respective resolutions passed by them in this regard. The Company has issued letters of appointment to the Independent Directors, incorporating their roles, duties, responsibilities, etc. The terms of appointment of Independent Directors is available on the website of the Company. The Company also has a Director’s and Officer’s liability insurance which covers all Directors and Officers for liability arising out of fiduciary acts. There is no separate provision for payment of severance fees governing the terms of appointment of Directors. With respect to notice period of Directors, the Directors have option to retire from office at any time during the term of appointment by giving notice in writing. However, the statutory provisions will also apply.

Shareholding of the Directors of the Company as on March 31, 2019

Name	No of shares	% of Total holding
Dharani Raghurama Swaroop	9,000	0.04

III. Stakeholders Relationship Committee

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and/or as entrusted on it by the Board of Directors from time to time.

The Brief terms of reference of the committee inter-alia includes:

- Approval of transfer/transmission of shares/securities and issuance of duplicate share/security certificates by the Company.
- To consider and resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- Carrying out any other function as is mentioned in the terms of reference of the stakeholders relationship committee.
- Other roles and responsibilities/Carrying out additional functions, if any, as is contained in Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and as may be amended from time to time] or other regulatory requirements applicable to the Company or in the terms of reference of the Stakeholders Relationship Committee or as delegated by the Board of Directors from time to time or as the Committee may deem fit.

Composition of the Committee

The Stakeholders Relationship Committee of the Company consists of two Independent Non-Executive Directors and one Executive Director including Chairman.

No. of meetings held and attendance during the year

During the year, one meeting of the committee was held on March 29, 2019.

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Ms. K Jayalakshmi Kumari*	Chairman	1	1
Venkat Motaparthi	Member	1	1
Dharani Raghurama Swaroop	Member	1	1

* Ms. K Jayalakshmi Kumari, Independent Non-Executive Director is appointed as member & chairman of the committee w.e.f August 07, 2018

Mr. Bendapudi Muralidhar ceased to be a member & chairman of the committee on his resignation from the Board with effect from May 21, 2018.

The Company Secretary of the Company acts as the Secretary to the Stakeholders' Relationship Committee and he was present at the meeting.

Name and Designation of Compliance Officer:

Mr. Ashish Bhattad is the Company Secretary and Compliance Officer of the Company w.e.f August 09, 2018.

Mr. T V Siva Prasad has tendered his resignation as CFO, Company Secretary & Compliance Officer w.e.f August 08, 2018.

Number of Shareholders' complaints received so far: Nil

Number of Shareholders' disposed: Nil

Number of Complaints not resolved to the satisfaction of Shareholders: Nil

Number of Pending Complaints at the end of the year: Nil

IV. Risk Management Committee

The provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company and hence, the Company did not constitute Risk Management Committee.

V. Corporate Social Responsibility Committee

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013 read with the rules made thereunder. The CSR Policy of the Company as recommended by CSR Committee and approved by the Board of Directors of the Company is available on website of the company i.e., www.ctepl.com.

Web link: https://www.ctepl.com/pdfs/investors/CSR_Policy_CTEL.pdf

The Report on Corporate Social Responsibility containing particulars as per the provisions of Section 135 read with the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as **Annexure '9'** to the Directors Report.

During the year under review, one (1) Meeting of the Committee was held on March 29, 2019.

Brief Terms of Reference of the Committee inter-alia include:

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas/subjects as specified in Schedule VII of the Companies Act, 2013;
- Recommendation of the amount of expenditure to be incurred on CSR activities; and
- Monitoring the CSR Policy of the Company.

Composition of the Committee

The Corporate Social Responsibility Committee of the Company consists of two Independent Non-Executive Directors and one Executive Director.

No. of meetings held and attendance during the year

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Dharani Raghurama Swaroop	Chairman	1	1
Venkat Motaparthi	Member	1	1
K Jayalakshmi Kumari	Member	1	1

The Company Secretary of the Company acts as the Secretary to the CSR Committee and he was present at the meeting.

VI. Finance Committee

The brief terms of reference of the Committee are to exercise powers specified in clauses (d) to (f) of Section 179 of the Companies Act, 2013 i.e., to approve investments of funds / borrowings / loans / guarantee within the limits prescribed by the Board from time to time and subject to the general supervision and ultimate control by the Board of Directors.

During the year, two meetings were held respectively on 27th July 2018 and 24th September, 2018.

Composition of the Committee

Sl. No.	Name of the Member	Designation	Position
1.	Mr. Dharani Raghurama Swaroop	Whole-time Director	Chairman
2.	Mr. Venkat Motaparthy	Independent Director	Member
3.	Mrs. K Jayalakshmi Kumari	Independent Director	Member

No. of meetings held and attendance during the year:

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Dharani Raghurama Swaroop	Chairman	2	2
Venkat Motaparthy	Member	2	2
K Jayalakshmi Kumari	Member	2	2

The Company Secretary of the Company acts as the Secretary to the Finance Committee and he was present at the meeting.

D. GENERAL BODY MEETINGS

- a. The location and time of the Annual General Meetings held during the last three years and number of Special Resolutions passed at that meetings:

Year	Date and Time	Location	Number of Special Resolutions Passed
2017-18	28 th September, 2018 at 10.30 A.M.	"Ruby Hall", 5 th floor, Hotel Pearl Inn, Plot #15 to 18, Lumbini Layout, Gachibowli, Hyderabad – 500032, Telangana State, India.	3(Three) Special Resolutions were passed as follows: i. Increase in limit of NRI investment in the Company. ii. Appointment of Ms. Usha Srikanth as an Additional Independent Director of the Company. iii. Re-appointment of Mr. Venkat Motaparthy as an Independent Director.
2016-17	25 th September, 2017 at 10.30 A.M.	"Ruby Hall", 5 th floor, Hotel Pearl Inn, Plot #15 to 18, Lumbini Layout, Gachibowli, Hyderabad – 500032, Telangana State, India.	3(Three) Special Resolutions were passed as follows: i. Increase in borrowing limits ii. Creation of Security on the properties of the company in favor of the Lenders iii. Raising of funds through issue of FCCB's / other permissible Securities for an amount not exceeding USD 50 million.
2015-16	30 th September, 2016 at 10.30 A.M.	FATPCCI Auditorium, Ground Floor, FTAPCCI, FAPCCI Marg, Red Hills, Hyderabad – 500004, Telangana State.	Nil

The Company passed special resolutions, if any, as per the agenda given in the notice calling the general meetings.

- b. Special Resolutions passed through Postal Ballot and details of Voting Pattern:

No Special Resolutions were passed through Postal Ballot during the year 2018-19.

Proposal for Passing of Special Resolutions through Postal Ballot during the year 2019-20.

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

In case, any resolution needs to be passed through Postal Ballot during the year 2019-20, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

E. MEANS OF COMMUNICATION

Quarterly results: Quarterly, half-yearly and yearly financial results of the Company are submitted/published as per the requirements of Regulation 30, 33 & 47 of the SEBI (LODR) Regulations, 2015. The said results are published normally in the below newspapers within 48 hours of the conclusion of the meetings of the Board in which they are taken on record. The financial results and other reports/intimations required under the SEBI (LODR) Regulations, 2015 are filed electronically with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and also posted on the Company's website i.e., www.ctepl.com

Newspapers wherein results normally published: Financial Express & Andhra Prabha.

Website: The Company's functional website i.e., www.ctepl.com contains a separate dedicated section 'Investors' where shareholder's information is available. All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded under Investors section of the website. The Company's Annual Report is also available in a user friendly and downloadable form. The contents of the said website are updated regularly as per Regulation 46 of the SEBI (LODR) Regulations, 2015.

News releases: Official news releases and official media releases are sent to Stock Exchanges and are displayed on website of the company at www.ctepl.com.

Presentations to institutional investors / analysts: The presentations made to investors or the analysts are posted on the website of the company and filed with the Stock Exchanges.

Annual Report: The annual report containing, inter alia, audited standalone financial statements, consolidated financial statements, Director's report, Auditor's report, Corporate Governance report, Management Discussion and Analysis Report, notice of Annual General Meeting and other important information is circulated to members and others entitled thereto through e-mail, post or courier.

Management Discussion and Analysis (MDA) Report: The report on MDA forms part of the annual report.

Disclosures to Stock Exchanges: The Company informs BSE and NSE all price sensitive matters pursuant to Listing Regulations or such other matters which in its opinion are material and of relevance to the members.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre: BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Dedicated e – mail ID: Your Company has a designated e-mail ID i.e., investors@ctepl.com exclusively for registering complaints and grievances of Shareholders. Your Company has also displayed the said email ID and other relevant details prominently under the investors section in its website, <http://www.ctepl.com> for creating investor awareness.

F. GENERAL SHAREHOLDERS INFORMATION.

- **Company Registration Details:** The Company is registered in the State of Telangana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72200TG1999PLC030997.

- **Correspondence Address**

Cambridge Technology Enterprises Limited
Unit No 04 – 03, Level 4, Block 1, Cyber Pearl,
HITEC – City, Madhapur, Hyderabad (TS) – 500 081.
Tel: 040 – 40234400; Fax: 040 – 40234600.

- **Date, Time and Venue of the Annual General Meeting**

Date: September 23, 2019
Day: Monday
Time: 12.00 PM (noon) IST
Venue: Summit hall (Lobby Level), Hotel Daspalla, Road # 37, Jubilee Hills, Hyderabad – 500033
Phone: +91 40 6654 5678

- **Dividend payment date:** Not Applicable

- **Particulars of Financial Calendar:**

Financial year: April 1, 2018 to March 31, 2019

Book Closure Date: Tuesday, the 17th September, 2019 to Monday, 23rd September, 2019 (both days inclusive) for the purpose of Annual General Meeting of the Company.

- **Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:**

Name and Address	Stock Code
BSE Ltd, Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Fort, Mumbai – 400 001	532801
The National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	CTE

Note: The Annual Listing Fees have been paid to the above said Stock Exchanges for the financial year 2018-19 during the year & 2019-20 as on the date of this report.

- **Market Price Data**

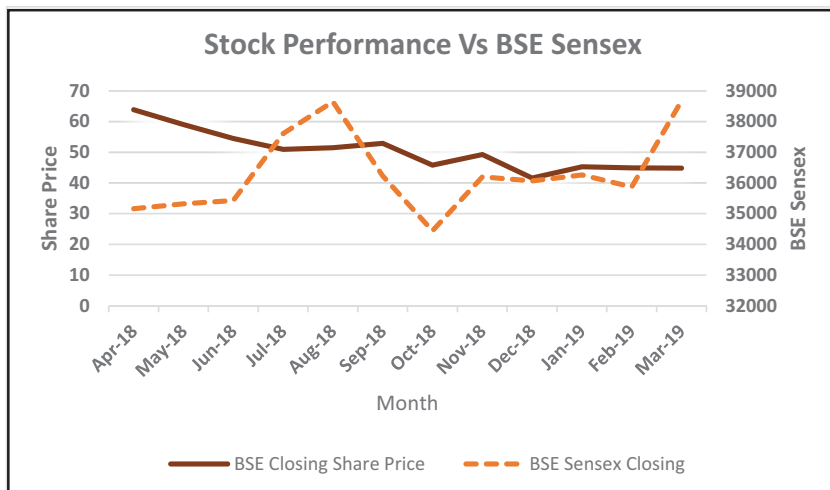
The monthly high and low prices recorded in BSE and NSE during the financial year 2018-19 is as under:

Month	BSE			NSE		
	High	Low	No. of shares	High	Low	No. of shares
Apr-18	68.90	63.70	21991	68.20	62.75	1,24,057
May-18	65.45	57.20	15944	65.80	54.00	1,36,288
Jun-18	59.50	52.50	27706	57.30	51.00	77,314
Jul-18	55.90	49.10	11239	54.95	49.25	73,796
Aug-18	63.00	49.60	25848	62.95	48.25	1,37,766
Sep-18	61.55	50.00	33002	62.65	49.50	1,41,219
Oct-18	52.95	40.80	23575	53.90	41.00	88,277
Nov-18	59.80	44.50	60257	59.00	42.55	1,92,136
Dec-18	49.45	40.00	15104	48.95	39.15	1,37,106
Jan-19	54.00	40.00	47853	54.65	40.65	1,93,717
Feb-19	53.55	37.60	41539	53.00	38.55	2,70,135
Mar-19	49.65	40.95	42163	49.75	40.80	1,88,366

• Performance in comparison to BSE Sensex

Month	BSE	
	Closing Share Price	Sensex Closing
Apr-18	63.85	35160.36
May-18	59.00	35322.38
Jun-18	54.50	35423.48
Jul-18	50.95	37606.58
Aug-18	51.45	38645.07
Sep-18	52.90	36227.14
Oct-18	45.80	34442.05
Nov-18	49.25	36194.30
Dec-18	41.60	36068.33
Jan-19	45.25	36256.69
Feb-19	44.90	35867.44
Mar-19	44.85	38672.91

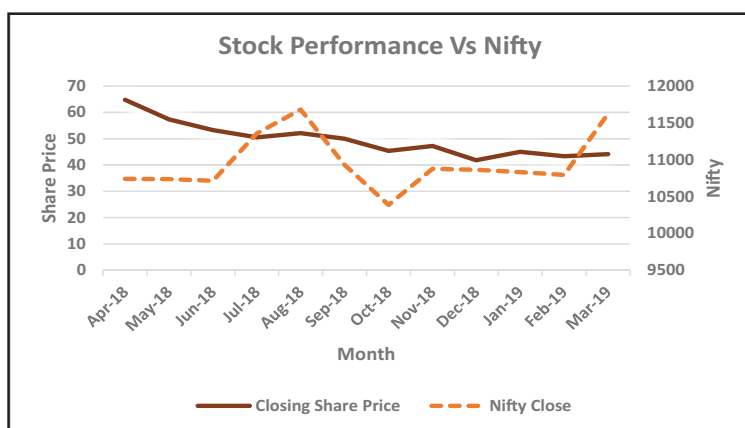
Graphical Presentation



• Performance in comparison to Nifty

Month	NSE	
	Closing Share Price	Nifty Closing
Apr-18	64.75	10739.35
May-18	57.30	10736.15
Jun-18	53.20	10714.30
Jul-18	50.50	11356.50
Aug-18	52.10	11680.50
Sep-18	50.00	10930.45
Oct-18	45.35	10386.60
Nov-18	47.25	10876.75
Dec-18	41.80	10862.55
Jan-19	45.00	10830.95
Feb-19	43.30	10792.50
Mar-19	44.15	11623.90

Graphical Presentation



- **Suspension of Securities from Trading: – Not applicable**
- **Registrar to an issue and Share Transfer Agents:**

Aarathi Consultants Private Ltd
 CIN: U74140TG1992PTC014044
 1-2-285, Domalguda, Hyderabad – 500 029
 T +91-40-27638111
 F +91-40-27632184
info@aarathiconsultants.com

- **Share Transfer System**

Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected within 15 days from the date of receipt, if all the documents are valid and in order. Transfer of shares in physical form, if any are also approved by stakeholders relationship committee of the company.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Board is also submitted to the Stock Exchanges on a half yearly basis.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from April 01, 2019. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

As at March 31, 2019, no equity shares were pending for transfer.

- **Distribution of shareholding as on March 31, 2019.**

S. No	Category	Holders	Holders %	No. of Shares	Amount	Amount %
1	1 - 5000	5547	83.21	7,40,127	74,01,270	3.77
2	5001 - 10000	498	7.47	4,05,747	40,57,470	2.07
3	10001 - 20000	273	4.1	4,15,793	41,57,930	2.12
4	20001 - 30000	121	1.82	3,08,515	30,85,150	1.57
5	30001 - 40000	46	0.69	1,66,742	16,67,420	0.85
6	40001 - 50000	46	0.69	2,15,990	21,59,900	1.1
7	50001 - 100000	69	1.04	508323	50,83,230	2.59
8	100001 & Above	66	0.99	1,68,69,778	16,86,97,780	85.93
	Total	6666	100	19631015	196310150	100

Category of Equity Shareholders as on March 31, 2019.

Category	No. of Shares held	Percentage of Shareholding
Promoter & Promoter Group	9209693	46.91
Public		
Individual Shareholders	6211585	31.64
Corporate Bodies	528475	2.69
Foreign Bodies Corporate	2063481	10.51
Clearing Members	73649	0.38
NRI's (Repatriable and Non-Repatriable)	895344	4.56
Foreign Nationals	99544	0.51
NBFCs registered with RBI	2000	0.01
Total Public Shareholding	9874078	50.30
Employee Benefit Trusts (Non – Promoter & Non – Public)	547244	2.79
Total	19631015	100.00

S.No.	Name	No. of shares held	% of paid up capital
I. Promoters			
1	Cloud Computing LLC	9,209,693	46.91
SUB-TOTAL		9,209,693	46.91
II. Public			
Holding more than 1%			
2	Smartshift AG	20,06,100	10.22
3	Kersie M Waghmar	9,40,080	4.79
4	Raymond J Lane	5,00,000	2.55
5	Mukul Mahavirprasad Agrawal	4,50,000	2.29
6	Suresh Gadaley	4,21,974	2.15
7	Devinder Prakash Kalra	3,93,000	2.00
8	D R R Swaroop (Trustee-ESOP Trust)	3,20,244	1.63
9	Kanchan Sunil Singhania	2,70,000	1.38
10	Purushothaman Vinayakam (Trustee ESOP Trust)	2,27,000	1.16
11	Kamal Gadalay	2,06,930	1.05
SUB-TOTAL		57,35,328	29.22
III. OTHERS		46,85,994	23.87
GRAND TOTAL		1,96,31,015	100.00

Dematerialization of shares and Liquidity

The Company's shares are available for dematerialization/re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for the same are processed within 15 days of receipt, if all the documents are valid and in order. The ISIN allotted to company's scrip is INE627H01017. The shareholders holding physical shares are requested to dematerialize their holding at the earliest.

As on 31 March 2019, 18,968,704 equity shares representing 96.63% of the total paid up share capital were held in dematerialized form with NSDL and CDSL.

S.No.	Mode	No. of shares	% of total paid up
1	Demat (NSDL)	15,000,073	76.41
2	Demat (CDSL)	3,968,631	20.22
3	Physical	6,62,311	03.37
TOTAL		19,631,015	100.00

- **Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:** The company has not issued any GDRs/ADRs or any convertible instrument.
- **Commodity price risk or foreign exchange risk and hedging activities:** Your Company does not have commodity price risk being in the IT sector and hence no commodity hedging is done. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollars against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. For foreign currency risk and sensitivity during the year, please refer notes to financial statements for the FY 2018-19 elsewhere provided in this Annual Report. The foreign exchange risk has not been hedged during the financial year.

The disclosures regarding commodity risks by listed entities pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 is not applicable.

- **Plant locations (Software Development Locations & correspondence address)**

North America

USA

Cambridge Technology Inc (Wholly Owned Susidiary) - 120 SE 6th Avenue, Topeka, Kansas 66603

Singapore

Cambridge Technology Investments Pte Ltd (Wholly Owned Susidiary) - 51, Goldhill Plaza, # 07-10/11, SINGAPORE (308900)

Philippines

Cambridge Bizserve Inc (Step Down Subsidiary) – 2nd Floor, DCG Bldg, Crossing Bayabas Toril, Davao City, Philippines-8025

India

Unit No. 04-03, Level 4, Block I, "Cyber Pearl" Hitec City, Madhapur, Hyderabad – 500 081, Telangana.

Vakil Square Unit #1, Rear Wing, Fifth Floor, Near to Jayadeva Hospital, Bannerghatta Road, Bangalore - 560 076, Karnataka.

Level 4, A-Wing, Dynasty Business Park, Andheri Kurla Road, Andheri (E) Mumbai – 400 059, Maharashtra.

Address for correspondence

Registered Office: Unit No. 04-03, Level 4, Block I, "Cyber Pearl", Hitec City, Madhapur, Hyderabad – 500 081, Telangana State, India.

Phone : +91 40 40234400

Fax : +91 40 40234600

E-mail Id : investors@ctepl.com

Website : <https://www.ctepl.com>

List of credit ratings obtained by the entity: Not Applicable

G. OTHER DISCLOSURES**Particulars of Directors seeking Appointment/Re-appointment**

For particulars of Director seeking re – appointment, please refer Directors Report and / or 20th AGM Notice of the Company dated August 12, 2019 which forms part of this annual report.

Related Party Transactions Disclosure

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large:

During FY 2018-19, all related party transactions were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties (except with its wholly owned subsidiary(ies) as follows) which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Ind AS, disclosures on related party transactions have been made in the notes to the Financial Statements.

Names of Related Party	Nature of Relationship	Nature of Transaction	Salient terms of the contract or transactions including the value, if any
Cambridge Technology Inc., USA	Wholly Owned Subsidiary	Services Rendered	At arm's length basis and in the ordinary course of business. As per transfer pricing guidelines. The Export Revenue from Cambridge Technology Inc, USA for the FY 2018-19 is INR 29,02,87,530/-

Related Party Transactions Policy

The Company has adopted a policy on dealing with Related Party Transactions and the same is disclosed on the website of the Company.

Web link: http://www.ctepl.com/pdfs/investors/Related_party_transactions_policy.pdf

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock

Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:
None

Establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In accordance with the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder and also under Regulation 22 of Listing Regulation, 2015, your company has adopted a Whistle Blower Policy to establish vigil mechanism for Directors/Employees to voice their concerns about unethical behavior, actual or suspected fraud, alleged wrongful conduct/ unlawful or unethical or improper practice, leakage of unpublished price sensitive information, etc. It also provides for adequate safeguards against the victimization of Directors and employees or any other person who avail the mechanism. It provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Company affirms that during FY 2018-19, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company. Weblink: http://www.ctepl.com/pdfs/investors/Whistle_Blower_Policy.pdf

Compliance with mandatory requirements

During the Financial Year 2018-19, the Company has duly complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of non-mandatory requirements

- The Internal Auditors report directly to the Audit Committee.

- There is no qualification or adverse remark in the Independent Auditor's Report on the Standalone and Consolidated financial statements for FY 2018-19.
- The Company provides the copy of the quarterly and half-yearly results only on receipt of a specific request from the Shareholders.
- Other non-mandatory requirements have not been adopted by the company.

Subsidiary Companies

All subsidiary companies are Board managed with their Boards having the rights and to manage such companies in the best interest of their stakeholders. The audit committee of the company has reviewed the financial statements, in particular, investments made by the unlisted subsidiary. The minutes of the meetings of board of directors of the unlisted subsidiary are placed at the board meeting of the company, as and when required. The management of the unlisted subsidiary brings to the notice of the board of directors of the company, a statement of all significant transactions and / or arrangements entered into by the subsidiary. The Company monitors performance of subsidiary companies and also comply with the regulations, inter alia, by means, as specified in Regulation 24 of the SEBI (LODR) Regulations, 2015.

In terms of regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Jayalakshmi Kumari Kanukollu, Independent Director of the Company is appointed as a Director on the Board of Directors of the Cambridge Technology Inc., USA., material wholly owned subsidiary of the Company w.e.f March 27, 2019.

In terms of regulation 16 of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of Material Subsidiaries. The policy is available on the website of the Company at http://www.ctepl.com/pdfs/investors/Policy_on_material_subsidiaries.pdf.

Disclosure of commodity price risks and commodity hedging activities: Not Applicable

Details of utilization of funds raised through preferential allotment or QIP: Not Applicable

Certificate from Practicing Company Secretary:

A certificate from Ms. B. Krishnaveni, a company secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure – 1** to this report.

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: None

Total fees paid to M/s. M Anandam & Co, Statutory Auditors:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. M Anandam & Co, Statutory Auditors and all the entities in the network firm/network entity of which the statutory auditor is a part is as follows:

Particulars	In INR	
	March 31, 2019	March 31, 2018
Statutory audit fee	18,15,765.82	12,96,823.00
For other services (including fees for quarterly review)	2,88,000.00	4,56,000.00
Reimbursement of expenses	18,773.00	31,500.00
Total	21,22,538.82	17,84,323.00

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

H. NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT OF SUB – PARAS (2) TO (10) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, WITH REASONS:

The Company has complied with all the requirements of the Corporate Governance report of sub - paras (2) to (10) of part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct

The Company has adopted a Code of Conduct for the Board of Directors & senior management personnel of the Company, as per the provisions of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is available on the website of the Company at http://www.ctepl.com/pdfs/investors/Code_of_Conduct.pdf.

The members of the Board including Independent Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as at March 31, 2019. A declaration to this effect signed by Mr. Aashish Kalra, Chairman and CEO is attached as an **Annexure - 2** to this report.

Code of conduct for prohibition of insider trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and further amended and renamed as Code of Conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons.

The code is available on the website of the Company.

Weblink:http://www.ctepl.com/pdfs/investors/Code_of_conduct_for_reporting_monitoring_regulating_of_trading_by_insiders.pdf

The Company has adopted a “Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information” further the board of directors of the Company also made a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The code is available on the website of the Company.

Web link: <https://www.ctepl.com/pdfs/investors/Code-of-Fair-Disclosure.pdf>

Disclosure on Accounting Treatment

The audited financial statements (both standalone and consolidated) for the financial year 2018-19 have been prepared in accordance with Section 129 and Section 133 of the Companies Act, 2013 read with the rules made thereunder and applicable Indian Accounting Standards (Ind AS).

Risk Management

The Company process is in place to ensure that all the Current and Future Material Risks of the Company are identified, assessed/quantified and effective steps are taken to mitigate/ reduce the effects of the risks to ensure proper growth of the business. Your Company has a well-defined risk management framework in place and a robust organizational structure for managing and reporting risks. For details related to risks and risk management, shareholders are requested to refer to “Threats, risks & concerns section” and “Internal control systems and their adequacy section” of Management Discussion and Analysis Report and Note 34 (for financial risk management) of the Standalone Financial Statements, which forms part of annual report.

Reconciliation of Share Capital Audit for reconciliation of share capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the stock exchanges. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

Information flow to the Board Members:

As required under Regulation 17(7), Part A of Schedule II of SEBI (LODR) Regulations, 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

Policy for determination of materiality and disclosure of material events/information

The Company has adopted the Policy for Determination of Materiality of Events / Information in accordance with the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the stock exchanges. The said policy is available on the website of the Company at:

<http://www.ctepl.com/pdfs/investors/CTELPolicyonDisclosureofMaterialEvents.pdf>

CEO and CFO certification

The Chairman and CEO and the Chief Financial Officer have certified to the Board regarding compliance of matters specified in regulation 17(8) read with Part B of Schedule II of the Listing Regulations and the same forms part of the Directors Report, attached as an Annexure 6 to the same.

Compliance Certificate regarding compliance of conditions of Corporate Governance

Mrs. B. Krishnaveni, a Company Secretary in Practice has certified that conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 have been complied by your Company and her certificate is annexed as **Annexure 8** to the Directors Report.

The Company also submits a quarterly compliance report on corporate governance in the format as specified from time to time to NSE & BSE within 15 days from the close of every quarter.

Disclosure with respect to demat suspense account / unclaimed suspense account: Not Applicable

Disclosure of Compliance:

Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation	Particular of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Not Applicable
22	Vigil Mechanism	Yes
23	Related party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent Director	Yes
26	Obligations with respect to Promoters, Directors, Senior Management & KMP	Yes
27	Other Corporate Governance requirements	Yes
46(2) [(b) to (i)]	Website	Yes

For and on behalf of the Board of Directors

Sd/-

Dharani Raghurama Swaroop
Whole – time Director
DIN: 00453250

Sd/-

K Jayalakshmi Kumari
Independent Director
DIN: 03423518

Hyderabad
August 12, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

To,
The Members,
Cambridge Technology Enterprises Limited
CIN of Company: L72200TG1999PLC030997
Unit No. 04-03, Level 4,
Block 1, Cyber Pearl,
HITEC - City, Madhapur,
Hyderabad (TS) – 500 081

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED (hereinafter referred to as 'the Company'), a Company incorporated under the Companies Act, 1956 vide Corporate Identity Number (CIN) L72200TG1999PLC030997 and having its Registered Office at Unit No. 04-03, Level 4, Block 1, Cyber Pearl, HITEC - City, Madhapur, Hyderabad (TS) – 500 081, produced before me for issuance of this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal - www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No	DIN	Name	Category	Original Date of Appointment
1	01878010	Aashish Kalra	Non – Independent, Executive	14/05/2015
2	00453250	Dharani Raghurama Swaroop	Non – Independent, Executive	28/01/1999
3	03339784	Stefan Hetges	Non – Independent, Non - Executive	15/11/2010
4	01001056	Motaparthi Venkateswara Rao Kasi	Independent Director, Non - Executive	13/02/2012
5	03423518	Jayalakshmi Kumari Kanukollu	Independent Director, Non - Executive	14/03/2015
6	08184237	Usha Srikanth	Independent Director, Non - Executive	07/08/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the eligibility for the appointment / continuity of every Director on the Board based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: August 12, 2019

Sd/-
B. Krishnaveni
Practicing Company Secretary
ACS No. 9686; C P No.: 4286

Declaration Regarding Compliance with the Conduct for Board of Directors and Senior Management of CTE

(Pursuant to Regulation 26(3) & Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and the Senior Management of the Company, which is available on the Company's website www.ctepl.com

I declare that the Board of Directors and the Senior Management Personnel of the Company have affirmed their compliance with the "Code of Conduct for Board of Directors and Senior Management of Cambridge Technology Enterprises Limited for the Financial Year 2018-19".

Place: Hyderabad
Date: 27th May, 2019

Sd/-
Aashish Kalra
(Chairman & CEO)



Financial Statements

Independent Auditor's Report

To the Members of Cambridge Technology Enterprises Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Cambridge Technology Enterprises Limited** (hereafter referred to as "the Parent") and its subsidiaries Cambridge Technology Inc., USA, Cambridge Innovations Capital LLC, USA, Cambridge Technology Investments Pte Limited, Singapore, Cambridge Bizserve Private Limited, India, Cambridge Innovations Private Limited, India and Cambridge Bizserve Inc. Phillipines (the Parent and its subsidiaries together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraphs (a), (b), (c) &(d) of other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><i>Evaluation of uncertain tax positions</i> The Parent has material uncertain tax positions including matters under dispute which involves significant management judgment to determine the possible outcome of these disputes. Refer Note 36 to the Consolidated Financial Statements</p>	<p><i>Principal Audit Procedures</i> Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

Other Information

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion & Analysis Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

- a) We did not audit the financial statements of three subsidiaries namely, Cambridge Technology Investments Pte Ltd, Singapore, Cambridge Bizserve Private Limited, India and Cambridge Innovations Private Limited, India, whose financial statements reflect total assets of Rs. 1038.18 lakh as at 31st March, 2019, total revenues of Rs. Nil and net cash flows amounting to Rs. (5.32) lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

The financial statements and other financial information of the subsidiary, located outside India, has been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Management has converted the financial statements from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other

auditor and the conversion adjustments prepared by the Management and audited by us.

- b) We did not audit the financial statements of two subsidiaries namely, Cambridge Technology Inc., USA, Cambridge Innovations Capital LLC., USA, whose financial statements reflect total assets of Rs. 13051.59 lakh as at 31st March, 2019, total revenues of Rs. 11085.58 lakh, and net cash flows amounting to Rs. 153.23 lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such other auditors.

The financial statements and other financial information of the subsidiaries, located outside India, have been prepared in accordance with accounting principles generally accepted in their countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their countries. The Management has converted the financial statements from accounting principles generally accepted in those countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the reports of other auditors and the conversion adjustments prepared by the Management and audited by us.

- c) The consolidated financial statements include financial statements of one subsidiary namely Cambridge Bizserve Inc., Philippines which reflects total assets of Rs. 65.44 lakh as at 31st March, 2019, total revenues of Rs. 118.78 lakh, and net cash flows amounting to Rs. 0.98 for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited for the period ended 31st December, 2018 and certified by the Management for the period from 1st January, 2019 to 31st March, 2019 since the subsidiary follows a different accounting period from that of the Parent. Such financial statements has been prepared in accordance with accounting principles generally accepted in its country and which has not been audited and which is certified by the Management. The Management has converted the financial statements of this subsidiary from accounting principles generally accepted in its country to accounting principles generally accepted in India. Our opinion, in so far as it relates to the affairs of this subsidiary, is based solely on the information provided by the Management.

The financial statements and other financial information of the subsidiary, located outside India, has been prepared in accordance with accounting principles generally accepted in its country and which has been reviewed by the Management under generally accepted accounting standards applicable in that country. The Management has converted the financial statements from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the financial statements furnished by the Management and the conversion adjustments prepared by the Management and audited by us.

- d) The consolidated financial statements do not include financial statements and other financial information of one subsidiary namely Cloud Computing Global Pte Ltd, Singapore. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information are not material to the Group. Our opinion is not modified in respect of this matter.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, as referred to in 'Other Matters' paragraph, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and returns and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Parent and subsidiaries, which are incorporated in India, the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the parent and subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer note 36);
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Parent and subsidiary companies incorporated in India.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

M.V.Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date: 27th May, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of **Cambridge Technology Enterprises Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Cambridge Technology Enterprises Limited** (“the Parent”) and its subsidiaries, which are incorporated in India, as of 31 March 2019 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the other matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

M.V.Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date: 27th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	4,702.28	6,650.19
(b) Intangible asset under development		826.94	-
(c) Other Intangible assets	4.2	26,702.40	49,955.36
(d) Financial assets			
Investments	5.1	2,39,670.66	3,63,371.98
Other financial assets	5.2	24,516.83	46,935.06
(e) Other non-current assets	6	2,599.28	2,500.00
(f) Deferred tax assets (net)	7	24,050.95	24,270.16
(g) Amount recoverable from ESOP Trust		11,900.00	11,900.00
Current Assets			
(a) Financial assets			
(i) Trade receivables	8	6,36,331.99	1,56,417.77
(ii) Cash and cash equivalents	9	20,696.16	9,033.13
(iii) Bank balances other than (ii) above	10	48,043.90	3,648.50
(iv) Loans	11	10,620.24	11,912.29
(v) Other financial assets	12	2,639.62	1,83,813.28
(b) Current tax assets (net)	13	3,133.19	2,352.10
(c) Other current assets	14	18,104.40	17,825.18
TOTAL ASSETS		10,74,538.84	8,90,585.00
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,96,310.15	1,96,310.15
(b) Other equity	16	4,15,324.52	3,73,556.08
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	13,176.56	3,325.10
(b) Provisions	18	21,750.17	13,301.34
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,24,097.92	1,08,311.69
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		173.42	228.79
b) total outstanding of creditors other than micro enterprises and small enterprises		31,439.89	46,226.70
(iii) Other financial liabilities	21	2,55,712.66	1,30,421.44
(b) Other current liabilities	22	12,589.83	11,675.81
(c) Provisions	23	2,938.49	1,063.66
(d) Current tax liabilities (net)	24	1,025.23	6,164.24
TOTAL EQUITY AND LIABILITIES		10,74,538.84	8,90,585.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 000125S

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Place: Hyderabad
Date : 27th May, 2019

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	Note	Year ended 31 March, 2019	Year ended 31 March, 2018
I. Revenue from operations	25	10,25,538.71	9,91,031.13
II. Other income	26	13,357.33	5,323.54
III. Total income (I + II)		10,38,896.04	9,96,354.67
IV. Expenses			
Purchase of software licenses		75,865.71	3,13,840.62
Subcontracting expenses		18,032.57	8,479.52
Employee benefits expense	27	4,65,686.74	3,59,837.95
Finance costs	28	14,338.90	16,433.38
Depreciation and amortization expense	29	31,645.52	34,305.63
Other expenses	30	2,35,554.89	1,41,268.08
Total expenses		8,41,124.33	8,74,165.18
V. Profit before tax (III- IV)		1,97,771.71	1,22,189.49
VI. Tax expense:			
(1) Current tax		10,393.81	18,150.74
(2) Deferred tax		(1,102.37)	(25,066.75)
VII. Profit for the year (V-VI)		1,88,480.27	1,29,105.50
VIII. Other comprehensive income			
i) Items that will be reclassified to statement of profit and loss Exchange differences on translating the financial statements of a foreign operation		12,464.24	(2,906.40)
ii) Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		(5,627.55)	(2,174.17)
b) Fair valuation of investments		(1,56,336.94)	(20,905.75)
c) Income tax relating to items above		1,565.58	327.28
Other comprehensive income (net of tax)		(1,47,934.67)	(25,659.04)
IX. Total comprehensive income for the year		40,545.40	1,03,446.46
Net Profit for the year attributable to:			
Owners of the parent		1,88,480.27	1,29,105.50
Non-Controlling Interests		-	-
Other Comprehensive Income attributable to:			
Owners of the parent		(1,47,934.67)	(25,659.04)
Non-Controlling Interests		-	-
Total Comprehensive Income attributable to:			
Owners of the parent		40,545.40	1,03,446.46
Non-Controlling Interests		-	-
X. Earnings per equity share (Face Value of 10 each)			
(1) Basic	39	9.60	6.58
(2) Diluted		9.60	6.58
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 0001255

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Place: Hyderabad
Date : 27th May, 2019

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

a. Equity share capital

Particulars	Note	Amount
As at 01 April 2017	15	1,96,310.15
Changes in equity share capital		-
As at 31 March 2018		1,96,310.15
Changes in equity share capital		-
As at 31 MARCH, 2019		1,96,310.15

b. Other equity

Particulars	Note	Reserves and Surplus				Other comprehensive Income		Total
		Capital Reserve	Securities Premium Reserve	Share Options Outstanding Reserve	Retained Earnings	Fair value of investments	Exchange differences in translating the financial statements of foreign operations	
Balance as at 1 April, 2017	16	499.00	-	4,736.08	2,57,768.26	-	(7,429.68)	2,55,573.67
Profit for the year		-	-	-	1,29,105.50	-	-	1,29,105.50
Adjustment of Accumulated Losses		-	-	-	-	(20,905.75)	-	(20,905.75)
Adjustment of Unamortised Goodwill		-	-	-	-	-	-	-
Other comprehensive income		-	-	-	(1,846.89)	-	2,717.41	870.52
Recognition of share based payment		-	-	1,334.66	-	-	-	1,334.66
Exchange differences in translating the financial statements of foreign operations		-	-	-	(227.31)	-	-	(227.31)
Adjustments on consolidation		-	-	-	7,804.80	-	-	7,804.80
Balance as at 31 March, 2018		499.00	-	6,070.75	3,92,604.36	(20,905.75)	(4,712.27)	3,73,556.09
Profit for the year		-	-	-	1,88,480.27	-	-	1,88,480.27
Other comprehensive income		-	-	-	(4,061.97)	(1,56,336.94)	12,464.24	(1,47,934.67)
Recognition of share based payment		-	-	225.07	-	-	-	225.07
Exchange differences in translating the financial statements of foreign operations		-	-	-	-	-	-	-
Adjustments on consolidation		-	-	-	-	-	-	-
Other adjustments		-	-	-	997.75	-	-	997.75
Balance as at 31 March, 2019		499.00	-	6,295.82	5,78,020.41	(1,77,242.69)	7,751.97	4,15,324.52

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 0001255

For and on behalf of the Board

M.V. Ranganath

Partner

Membership No. 028031

Aashish Kalra

Chairman & CEO

DIN : 01878010

Jayalakshmi Kumari Kanukollu

Director

DIN : 03423518

D.R.R. Swaroop

Wholesale Director

DIN : 00453250

Place: Hyderabad

Date : 27th May, 2019

Ashish Bhattad

Company Secretary

C.S. Leeladhar

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	31 March, 2019	31 March, 2018
Cash flow from operating activities		
Profit before tax	1,97,771.71	1,22,189.49
Adjustments for:		
Depreciation and amortisation expense	31,645.52	34,305.63
(Gain)/Loss on disposal of property, plant and equipment	(297.35)	(17.34)
Interest income on financial assets carried at amortized cost	(3,127.86)	(1,877.18)
Provision for doubtful debts	(178.49)	(381.30)
Bad Debts written off	1,203.50	6,770.04
Expenses written off	-	12,646.67
Finance costs	14,338.90	16,433.38
Share based payments	225.07	1,334.66
Fair valuation on forward contracts	-	611.07
Net exchange difference	(24,403.02)	25,115.48
Adjustments on consolidation	997.75	7,577.49
Interest income on rental deposit	(166.67)	-
Unwinding of interest cost	158.09	-
Remeasurement of defined employee benefit plans	(5,627.55)	(2,174.17)
Operating Profit before working capital changes	2,12,539.60	2,22,533.93
Change in operating assets and liabilities		
Increase in Trade Receivables	(4,80,939.23)	(18,934.85)
(Increase)/Decrease in financial assets other than trade receivables	1,60,488.54	(1,31,394.91)
Decrease in other assets	665.99	2,683.10
Decrease in Trade payables	(14,842.18)	(2,131.18)
Increase / (Decrease) in other financial liabilities	1,21,344.46	(22,397.52)
Increase in provisions	10,323.66	2,064.75
Decrease in other liabilities	(11,071.41)	(44,894.60)
Cash Generated from Operations	(1,490.57)	7,528.72
Income taxes paid	(1,817.01)	(7,295.68)
Net cash inflow (outflow) from operating activities	(3,307.58)	233.04
Cash flows from investing activities		
Payments for property plant and equipment	(4,016.24)	(4,933.18)
Interest received	3,127.86	1,877.17
Proceeds from sale of property, plant and equipment	613.45	142.99
Sale/(Purchase) of investments	-	27,204.16
Net cash inflow (outflow) from investing activities	(274.93)	24,291.14
Cash flow from financing activities		
Proceeds/(repayment) from non current borrowings	23,251.03	(7,681.59)
Proceeds/ (repayment) from current borrowings	(3,694.82)	5,308.37
Foreign exchange fluctuation	10,028.23	142.47
Finance cost	(14,338.90)	(16,433.38)
Net cash inflow (outflow) from financing activities	15,245.54	(18,664.13)
Net increase/decrease in cash and cash equivalents	11,663.03	5,860.08
Cash and Cash equivalents at the beginning of the year	9,033.13	3,173.05
Cash and Cash equivalents at the end of the year	20,696.16	9,033.13

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 0001255

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalaksmi Kumari Kanukollu
Director
DIN : 3423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

Place: Hyderabad
Date : 27th May, 2019

Notes to the consolidated financial statements for the year ended March 31, 2019

All amounts in ₹ thousands, unless otherwise stated

(All amounts have been presented in Rupees thousands unless otherwise specified)

1 Group Information:

Cambridge Technology Enterprises Limited, 'the parent' and its subsidiaries (collectively referred to as 'the Group') are primarily a global technology services and outsourcing Group dedicated to serving the midsize market enterprises and the midsize units of Global 2000 enterprises across the spectrum of business industries. The Group is recognised as a thought leader and innovator of comprehensive Service Oriented Architecture (SOA)-based enterprise transformation and integration solutions and services.

The Group includes the following wholly owned subsidiaries, viz, M/s Cambridge Technology Inc. USA, M/s Cambridge Technology Investments Pte Limited, Singapore, M/s Cambridge Innovations Private Limited, Hyderabad, M/s Cambridge Innovations Capital LLC, USA, M/s Cambridge Bizserve Pvt. Limited, Hyderabad, M/s Cambridge Bizserve Inc. Philippines, M/s India Energy Partners 21 Pte Limited, Singapore and M/s Kupfer Management Pte Limited, Singapore

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of preparation:

The Consolidated Financial Statements (CFS) include the financial statements of the Parent and its wholly owned subsidiaries. The assets, liabilities, income and expenses of the wholly owned subsidiaries is aggregated and consolidated line by line. Profit or loss and each component of other comprehensive income are attributed to the owners. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Revenue Recognition**i) Income from Software services**

Revenue is recognised upon transfer of control of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. • Revenue from fixed price development contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc. • Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode. • Revenue from cost plus contracts is recognised based on cost incurred towards a particular project after adding a margin of profit

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

ii) Income from Software Products

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts requiring significant implementation services, where revenue is recognized as per the percentage of completion method.

iii) Other income

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

d) Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are included in the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

e) Employee benefits

- (i) Short-term obligations Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- (ii) Other long-term employee benefit obligations The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.
- (iii) Gratuity obligations The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

(iv) Defined contribution plans

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid, the contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

- (v) Employee Share-based payments Stock Options are granted to eligible employees in accordance with the CTE Employee Stock Option Schemes ("CTE ESOS"), as may be decided by the Nomination & Compensation Committee. Eligible employees for this purpose include employees of the group including Directors. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

f) Income Taxes

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

g) Property, plant and equipment:

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Lease Hold improvements are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of input taxes less accumulated depreciation in accordance with Lease hold period.

h) Expenditure during construction period:

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

i) Depreciation

Depreciation on tangible assets is provided on the written down value method and at the useful life and in the manner specified in Schedule II of the Companies Act, 2013. For assets acquired or disposed off during the year, depreciation is provided on prorata basis.

Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are depreciated over the the remaining primary period of lease.

j) Intangible Assets and Amortization:

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

The amortized period and amortization method are reviewed at each financial year end.

Software used in development for projects are amortized over the license period or estimated useful life of two years, whichever is lower.

k) Impairment of Assets:

Intangible assets and property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

l) Provisions, Contingent Liabilities & Contingent Assets:

The group recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are

reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

m) Financial instruments:

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant

Interest bearing bank loans, overdrafts and unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

n) Earnings Per Share :

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p) Transactions in foreign currencies:

The financial statements of the group are presented in Indian rupees (₹), which is the functional currency of the parent and the presentation currency for the financial statements.

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

q) Segment Reporting - Identification of Segments:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

r) Derivatives:

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

s) Leases:

The group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

The Group as lessee

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

t) Dividend Distribution:

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

u) Rounding off amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

v) Standards issued but not yet effective:

The standards issued, but not yet effective up to the date of issuance of the group's financial statements are disclosed below.

On 30th March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after 1 April, 2019:

1. The Rules have notified the new lease standard Ind AS 116, Leases. Ind AS 17, Leases has been withdrawn. The Rules also bring in consequential amendments to other Ind AS as a result of notification of Ind AS 116. The Group is assessing the implication of the above change.

2. Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The Group is assessing the implication of the above change.
3. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. This amendment is not applicable to the Group.
4. Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. This amendment will not impact the financial statements of the Group.
5. Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. This amendment will not impact the financial statements of the Group.
6. Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28. This amendment is not applicable to the Group.
7. Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Group.
8. Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation. This amendment is not applicable to the Group.

3 Use of estimates and critical accounting judgements:

In preparation of the financial statements, the group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Notes to financial statements for the year ended 31 March 2019

All amounts in ₹ thousands, unless otherwise stated

4.1(a) Property, plant and equipment

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount	
	as at 1 April 2018	Additions	Deletions	Adjustments	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019
Owned Assets												
Plant & Equipment	1,008.10	-	-	(636.11)	371.99	765.02	46.56	-	(636.11)	175.48	196.52	
Electrical Fittings	995.34	-	-	-	995.34	202.45	206.40	-	-	408.85	586.49	
Furniture & Fixtures	1,114.32	421.78	-	35.03	1,571.13	438.08	537.30	-	(16.64)	958.75	612.38	
Computers	4,283.91	1,619.48	268.53	111.46	5,746.31	2,405.46	1,689.33	208.19	59.13	3,945.72	1,800.59	
Server & Networking	2,948.52	-	2,542.39	88.49	494.62	2,510.54	71.49	2,286.62	73.21	368.62	126.01	
Office Equipment	2,415.21	640.97	-	9.01	3,065.18	1,332.29	740.51	-	(25.41)	2,047.39	1,017.79	
Leasehold Improvements	4,032.62	90.25	-	-	4,122.87	2,493.99	1,266.38	-	-	3,760.37	362.50	
TOTAL	16,798.01	2,772.48	2,810.90	(392.14)	16,367.45	10,147.83	4,557.96	2,494.81	(545.81)	11,665.17	4,702.28	

4.1(b) Property, plant and equipment

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount	
	as at 1 April 2017	Additions	Deletions	Adjustments	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	Adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2018
Owned Assets												
Plant & Equipment	1,008.10	-	-	-	1,008.10	707.41	57.62	-	-	765.02	243.08	
Electrical Fittings	24.61	970.73	-	-	995.34	7.77	194.67	-	-	202.45	792.89	
Furniture & Fixtures	701.30	412.68	-	0.35	1,114.33	122.92	318.25	-	(3.09)	438.08	676.25	
Computers	2,451.78	1,956.45	125.67	1.34	4,283.91	1,095.44	1,310.75	-	(0.73)	2,405.46	1,878.45	
Server & Networking	2,937.97	-	-	10.55	2,948.52	1,969.58	528.67	-	12.29	2,510.54	437.98	
Office Equipment	2,092.71	322.24	-	0.25	2,415.21	737.74	594.41	-	0.14	1,332.29	1,082.91	
Leasehold Improvements	3,454.53	578.10	-	-	4,032.62	1,156.33	1,337.66	-	-	2,493.99	1,538.63	
TOTAL	12,671.01	4,240.18	125.67	12.50	16,798.02	5,797.19	4,342.03	-	8.61	10,147.83	6,650.19	

Notes to financial statements for the year ended 31 March 2019

All amounts in ₹ thousands, unless otherwise stated

4.2(a) Other intangible asset

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount As at 31 March 2019	
	as at 1 April 2018	Additions	Deletions	Adjustments	As at 31 March 2019	For the Year	On disposals	Adjustments		As at 31 March 2019
	Computer Software	11,913.85	416.82	-	-	12,330.67	487.43	-		-
Assignment Rights	99,949.37	-	-	5,355.05	1,05,304.41	26,600.13	-	1,937.26	78,978.30	26,326.11
TOTAL	1,11,863.21	416.82	-	5,355.05	1,17,635.08	27,087.56	-	1,937.26	90,932.67	26,702.41

4.2(b) Other Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount As at 31 March 2018	
	as at 1 April 2017	Additions	Deletions	Adjustments	As at 31 March 2018	For the Year	On disposals	Adjustments		As at 31 March 2018
	Computer Software	11,220.85	692.99	-	-	11,913.85	5,433.94	-		-
Assignment Rights	99,568.77	-	-	(380.60)	99,949.37	24,529.67	-	(376.79)	50,440.91	49,508.45
TOTAL	1,10,789.62	692.99	-	(380.60)	1,11,863.21	29,963.60	-	(376.79)	61,907.85	49,955.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

5.1. Investments

Particulars	31 March, 2019	31 March, 2018
Unquoted		
Investments measured at cost, unless otherwise stated		
Equity instruments		
Wholly owned subsidiaries		
(a) Cambridge Innovations Pte Ltd. (Fully Impaired) (10,000 equity shares of Rs.10 each, fully paid up) (31 March, 2018 : 10,000 equity shares of Rs.10 each, fully paid up)	-	-
(b) Cloud Computing Global Pte Ltd. (Fully Impaired) (100 equity share of SGD 1 each, fully paid up) (31 March, 2018 : 100 equity share of SGD 1 each, fully paid up)	-	-
(c) India Energy Partners 21 Pte Ltd. (Fully Impaired) (100 equity share of SGD 1 each, fully paid up) (31 March, 2018 : 100 equity share of SGD 1 each, fully paid up)	-	-
(d) Kupfer Management Pte Ltd (Fully Impaired) (1 April, 2016 : 100 equity share of SGD 1 each, fully paid up)	-	-
Other entities - Fair value through profit and loss (FVTPL)		
Preference shares (unquoted)		
(a) AntHill Startups Advisory Pvt Ltd., India (Fully Impaired) (250 preference shares of Rs.10 each, fully paid up) (31 March, 2018 : 250 preference shares of Rs.10 each, fully paid up) [(Cost - Rs. 15 lakhs, 31 March, 2018)]	-	-
Other entities - Fair value through other comprehensive income (FVOCI)		
(a) Causemo Inc (Fully Impaired) (150,000 Series A preferred stock of USD 0.01 each par value) (31 March, 2018 : 150,000 Series A preferred stock of USD 0.01 each par value) [(Cost - Rs. 10,375.50 thousands, 31 March, 2018 - Rs. 5717.02) fully Impaired]	-	5,717.02
(b) MyCrowd Inc (Fully Impaired) (Convertible promissory note for USD 250,000 with Interest rate of 6%) (31 March, 2018 : Convertible promissory note for USD 250,000 with Interest rate of 6%) [(Cost - Rs. 17292.50 thousands, 31 March, 2018 - Rs. 16,260 thousands, fully Impaired]	-	16,260.00
(c) Ourly.help Inc (earlier known as Opprtuna Inc) (Fully Impaired) (Convertible promissory notes for USD 350,000 with Interest rate of 6%) (31 March, 2018 : Convertible promissory notes for USD 350,000 with Interest rate of 6%) [(Cost - Rs. 24,209.50 thousands, 31 March, 2018 - Rs. 16,260 thousands, fully impaired]	-	16,260.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

5.1. Investments

Particulars	31 March, 2019	31 March, 2018
(d) Roadzen Inc (44,400 Series A1 convertible preferred stock of USD 0.0001 each par value and convertible promissory notes of USD 1,000,000 with Interest rate of 5%) (2018 - 44,400 Series A1 convertible preferred stock of USD 0.0001 each par value and convertible promissory notes of USD 1,250,000 with Interest rate of 5%)	69,170.00	65,040.00
(e) Adar Health LLC (Fully Impaired) (Convertible promissory note for USD 1,000,000) (31 March, 2018 : Convertible promissory note for USD 10,00,000) [(Cost - Rs. 69,170 thousands, 31st March 2018 Rs. 65,040 thousands), Fully Impaired]	-	65,040.00
(f) EasyKnock Inc (Convertible promissory note for USD 5,00,000 with 5% Interest rate) (31 March, 2018 : Convertible promissory note for USD 2,50,000 with 5% Interest rate)	34,585.00	32,520.00
(g) Enerallies Inc (Convertible promissory note for USD 7,50,000 with 5% Interest rate) (31 March, 2018 : Convertible promissory note for USD 5,00,000 with 5% Interest rate)	69,170.00	48,780.00
(h) Kovid Inc (1,88,679 common stock of face value USD 1 per share) (31 March, 2018 : 1,88,679 common stock of face value USD 1 per share)	24,209.50	32,520.00
(i) The Goat Factory LLC (Convertible promissory note for USD 1,249,000) (31 March, 2018 : Convertible promissory note for USD 12,49,000) [(Cost - Rs. 86,393.33 thousands, 31st March 2018 Rs. 81,234.96 thousands)	42,536.16	81,234.96
TOTAL	2,39,670.66	3,63,371.98
Aggregate amount of unquoted investments	2,39,670.66	3,63,371.98
Aggregate amount of impairment in value of investments	2,13,094.43	44,688.98

5.2. Other financial assets (non-current)

Particulars	31 March, 2019	31 March, 2018
Unsecured, considered good		
(a) Rental Deposits	12,986.95	13,962.50
(b) Deposits with others	354.61	553.92
(c) Earmarked Balances with banks Margin Money Deposits	11,175.27	32,418.64
TOTAL	24,516.83	46,935.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

5.2.1. Fixed Deposits include Deposits against Bank Guarantees - Rs. 850.49 thousands (2018 - Rs. 11,131.70 thousands), Deposits against borrowings - Rs. 10,130.55 thousands (2018 - 17,915.92 thousands), Deposits with Customs Dept. - Rs. 194.23 thousands (2018 - Rs. 184.43 thousands) and Deposits against forward contracts - Nil (2018 - Rs. 3186.59 thousands)

6. Other non-current assets

Particulars	31 March, 2019	31 March, 2018
Amount paid under Protest - Service Tax	2,500.00	2,500.00
Prepaid rent	99.28	
TOTAL	2,599.28	2,500.00

7. Deferred tax assets (net)

Particulars	31 March, 2019	31 March, 2018
a) Deferred tax assets		
On Account of:		
Expenses allowable on payment basis	9,176.12	6,223.86
Unused Tax Credits	15,997.07	19,544.45
	25,173.18	25,768.32
b) Deferred tax liabilities		
On Account of:		
Depreciation	1,122.23	1,498.15
	1,122.23	1,498.15
Deferred tax assets (net)	24,050.95	24,270.16

Movement in deferred tax assets (net)

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Unused Tax Credits	Total
As at 31st March, 2018 (Charged)/ Credited	(1,498.15)	6,223.86	19,544.45	24,270.16
to statement of profit and loss	375.92	2,952.26	-	3,328.18
Utilisation of tax credits	-	-	(3,547.39)	(3,547.39)
As at 31st March, 2019	(1,122.23)	9,176.12	15,997.07	24,050.95

8. Trade receivables

Particulars	31 March, 2019	31 March, 2018
(a) Unsecured, considered good	6,36,990.15	1,57,237.08
	6,36,990.15	1,57,237.08
Less: Allowance for bad and doubtful trade receivables	658.16	819.31
TOTAL	6,36,331.99	1,56,417.77

9. Cash and cash equivalents

Particulars	31 March, 2019	31 March, 2018
a) Balances with banks		
- in current accounts	20,639.04	5,597.22
- funds in transit	-	3,252.00
b) Cash on hand	57.12	183.90
TOTAL	20,696.16	9,033.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

10. Other bank balances

Particulars	31 March, 2019	31 March, 2018
Earmarked balances with banks		
Margin money deposits	48,043.90	3,648.50
TOTAL	48,043.90	3,648.50

10.1. Fixed Deposits include Deposits against Bank Guarantees - Rs.29,497.89 thousands (2018 - Rs. 3648.50 thousands), Deposits against borrowings - Rs. 18,546.01 (2018 - Nil)

11. Loans (current)

Particulars	31 March, 2019	31 March, 2018
Unsecured, considered good		
Employee advances	620.24	1,912.29
Other advances	10,000.00	10,000.00
TOTAL	10,620.24	11,912.29

12. Other financial assets (current)

Particulars	31 March, 2019	31 March, 2018
Accrued Interest on Fixed Deposits	316.04	119.28
Employee advances	2,303.43	5,605.14
Unbilled Revenue	-	1,78,088.87
Other receivables	20.15	-
TOTAL	2,639.62	1,83,813.29

13. Current tax assets (net)

Particulars	31 March, 2019	31 March, 2018
Advance Tax	45,748.52	36,250.69
Less: Provision for Tax	(42,615.34)	(33,898.60)
TOTAL	3,133.19	2,352.10

14. Other current assets

Particulars	31 March, 2019	31 March, 2018
Prepaid expenses	5,549.42	5,770.97
Input taxes receivable	7,392.25	7,214.91
Advance to vendors	5,077.73	4,754.30
Deposits with customers	85.00	85.00
TOTAL	18,104.40	17,825.18

15. Equity share capital

Particulars	31 March, 2019	31 March, 2018
AUTHORIZED:		
3,00,00,000 (2018 - 3,00,00,000) Equity Shares of Rs.10/- each	3,00,000.00	3,00,000.00
TOTAL	3,00,000.00	3,00,000.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,96,31,015 (2018 - 1,96,31,015) Equity Shares of Rs.10/- each fully paid up	1,96,310.15	1,96,310.15
TOTAL	1,96,310.15	1,96,310.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 1, 2017	1,96,31,015	1,96,310.15
Movement during the year	-	-
Balance at March 31, 2018	1,96,31,015	1,96,310.15
Movement during the year	-	-
Balance at March 31, 2019	1,96,31,015	1,96,310.15

(B) Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% holding	No. of Shares	% holding
1. Cloud Computing LLC	92,09,693	46.91	92,09,693	46.91
2. SmartShift AG	20,06,100	10.22	20,06,100	10.22

(C) **Terms/Rights attached to equity shares:** The group has only one class of equity shares having a face value of 10/- each. Each holder of equity share is entitled to one vote per share. The group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16. Other equity

Particulars	31 March, 2019	31 March, 2018
Reserves and surplus		
Capital reserve	499.00	499.00
Share options outstanding reserve	6,295.82	6,070.75
Retained earnings	5,78,020.40	3,92,604.35
Other Comprehensive Income		
Fair valuation of investments	(1,77,242.69)	(20,905.75)
Exchange differences in translating the financial statements of foreign operations	7,751.97	(4,712.27)
TOTAL	4,15,324.52	3,73,556.08

(i) Capital reserve

Particulars	31 March, 2019	31 March, 2018
Opening balance	499.00	499.00
Movement during the year	-	-
Closing balance	499.00	499.00

(iii) Share options outstanding reserve

Particulars	31 March, 2019	31 March, 2018
Opening balance	6,070.75	4,736.08
Movement during the year	225.07	1,334.66
Closing balance	6,295.82	6,070.75

(iv) Retained earnings

Particulars	31 March, 2019	31 March, 2018
Opening balance	3,92,604.35	2,57,768.25
Profit for the year	1,88,480.27	1,29,105.50
Adjustments on consolidation	-	7,804.80
Other Adjustments	997.75	(227.31)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of defined employee benefit plans, net of tax	(4,061.97)	(1,846.89)
Closing balance	5,78,020.40	3,92,604.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(v) Fair valuation of investments

Particulars	31 March, 2019	31 March, 2018
Opening balance	(20,905.75)	-
Movement during the year	(1,56,336.94)	(20,905.75)
Closing balance	(1,77,242.69)	(20,905.75)

(vi) Exchange differences in translating the financial statements of foreign operations

Particulars	31 March, 2019	31 March, 2018
Opening balance	(4,712.27)	(7,429.68)
Movement during the year	12,464.24	2,717.41
Closing balance	7,751.93	(4,712.27)

Nature and purpose of reserves

(i) Capital reserve

This reserve was created at the time of buy back of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share options outstanding reserve

This reserve relates to stock options granted by the group to employees under the CTEL ESOP Schemes. The balance will be transferred to securities premium or retained earnings on exercise or cancellation of vested options.

(iv) Retained earnings

This reserve represents the cumulative profits of the group and effects of remeasurement of defined benefit obligations. This reserve will be utilized in accordance with the provisions of the Companies Act, 2013.

(v) Exchange differences in translating the financial statements of foreign operations

Exchange differences arising on translation of financial statements of foreign operations from functional currency to presentation currency are included under this head.

17. Borrowings (non - current)

Particulars	31 March, 2019	31 March, 2018
a) Secured loans		
Term loans from banks	12,872.30	1,762.98
b) Unsecured loans		
Term loan from banks	304.25	308.13
From others	-	1,253.99
TOTAL	13,176.56	3,325.10

Term loans from banks represents three foreign currency term loan taken from Kotak Mahindra Bank Limited. Foreign currency term loan is secured by way of first and exclusive charge on all existing and future current and movable Property, plant and equipment of the Company, second charge on constant OD/PCFC/BG - KMBL TD(s) of ₹ 25000 thousands, personal guarantee of Mr Dharani Raghuram Swaroop and corporate guarantee of M/s CTE Employees Foundation. The loan carries a rate of interest of 6% p.a. as at the balance sheet date. One loan is repayable in 29 equated monthly instalments of USD 11,445 as on balance sheet date. The second loan is repayable in 3 equated monthly instalments of USD 9204.

Unsecured term loan from banks represents loan from Kotak Mahindra Bank Limited and carries rate of interest of 16% p.a. The loan is repayable in 14 equated monthly instalments of ₹ 157 thousands as on balance sheet date

Loans from others represents loan taken from Bajaj Finance Limited. Loan carries a rate of interest 17.5% p.a and is repayable in 12 equated monthly instalments of ₹ 115 thousands.

18. Provisions (non - current)

Particulars	31 March, 2019	31 March, 2018
Provision for employee benefits		
- Leave encashment	5,556.39	2,063.19
- Gratuity	16,193.78	11,238.15
TOTAL	21,750.17	13,301.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

19. Borrowings (current)

Particulars	31 March, 2019	31 March, 2018
Current		
a) Secured loans		
Working capital loans from banks	70,080.51	19,709.53
b) Unsecured loans		
Repayable on Demand		
Loans from others	54,017.41	88,602.15
TOTAL	1,24,097.92	1,08,311.69

19.1 Working capital loan from bank represents Over Draft from Kotak Mahindra Bank Limited and CITI bank. Secured by way of first and exclusive charge on all existing and future current and movable Property, plant and equipment of the Company, second charge on constant OD/PCFC/BG - KMBL TD(s) of ₹ 25000 thousands, personal guarantee of Mr Dharani Raghuram Swaroop and corporate guarantee of M/s CTE Employees Foundation. The loan carries a rate of interest of MCLR 6M + 1.8% p.a. Cash Credit from Citi Bank Limited, secured by way of fixed deposits of Rs. 18,000 thousand, demand promissory note and letter of continuity for Rs.40,000 thousand.

Loans from others includes: i) Interest free business loan from Roadzen Inc. ii) Business loan from Worldwide Technology Investments Pte Ltd carrying a rate of interest @ 12% p.a. compounding monthly. iii) Line of Credit from Bank of America carrying a rate of interest @ LIBOR daily floating rate plus 325 basis points

19.2 Net Debt Reconciliation

Particulars	31 March, 2019	31 March, 2018
Opening balance of borrowings	1,21,826.58	1,24,057.34
Add: Proceeds/ (repayment) from non-current borrowings (net)	23,251.03	(7,681.59)
Add: Proceeds/ (repayment) from current borrowings (net)	(3,694.82)	5,308.37
Foreign exchange fluctuation adjustments	10,028.23	142.47
Fair Value Adjustment	-	-
Closing balance of borrowings	1,51,411.03	1,21,826.58

20. Trade payables

Particulars	31 March, 2019	31 March, 2018
Dues to micro and small enterprises (Refer Note below)	173.42	228.79
Dues to creditors other than micro and small enterprises	31,439.89	46,226.70
TOTAL	31,613.31	46,455.49

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	155.10	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	18.33	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	18.33	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	18.33	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.48	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

21. Other financial liabilities (current)

Particulars	31 March, 2019	31 March, 2018
Current maturities of long term debt	14,136.55	10,189.80
Foreign-exchange forward contracts not designated as hedges	-	199.07
Employee benefits payable	1,19,973.05	83,778.45
Outstanding expenses payable	1,09,133.85	29,208.80
Interest Accrued but not due	12,469.21	7,045.33
TOTAL	2,55,712.66	1,30,421.44

22. Other current liabilities

Particulars	31 March, 2019	31 March, 2018
Advances from customers	989.65	3,594.90
Statutory liabilities	11,600.18	8,080.91
TOTAL	12,589.83	11,675.81

23. Provisions (current)

Particulars	31 March, 2019	31 March, 2018
Provision for employee benefits		
- Leave encashment	1,147.74	437.48
- Gratuity	1,790.75	626.18
TOTAL	2,938.49	1,063.66

24. Current tax liabilities (net)

Particulars	31 March, 2019	31 March, 2018
Provision for tax	10,616.81	18,150.74
Less: Advance tax	(6,044.18)	(6,568.76)
Less: Tax credits utilised	(3,547.39)	(5,417.73)
TOTAL	1,025.23	6,164.24

25. Revenue from operations

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue from Operations		
(a) Sale of services - software services	9,45,841.58	6,73,469.50
(b) Sale of software licenses	79,697.13	3,17,561.64
TOTAL	10,25,538.71	9,91,031.13

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Year Ended March 31, 2019
1. Revenue by Types of Goods or Services	
- Sale of software services	9,45,841.59
- Sale of software licenses	79,697.12
Total Sales	10,25,538.71
2. Revenue by Geographical Locations	
- India	76,333.34
- USA	9,37,327.56
- Philippines	11,877.81
Total Sales	10,25,538.71
3. Revenue by Market/Type of Customers	
- Government Entities	23,086.18
- Others	10,02,452.54
Total Sales	10,25,538.71
4. Revenue by Types of Contracts	
- Fixed Price Development Contracts	907,981.55
- Fixed Price Maintenance Contracts	75,213.17
- Cost Plus Contracts	42,343.99
Total Sales	10,25,538.71

Software services

Cambridge Technology (CT) is a global technology company focused on Artificial Intelligence as a Service (AlaaS) to transform organizations into AI-first leaders. AI is not a one-size-fits-all solution. It needs incorporation of numerous aspects of technologies, platforms, and services tailored to meet the specific business needs. CT offers solutions ranging from strategic workshops to AlaaS implementation and elements that are required to put all of these things together. CT's offerings fit together because of its understanding towards the entire lifecycle of a business. CT's offerings include, AI, Big Data and Cloud services, Application and Development services, IAM and Infrastructure management services. The company is confident of staying innovative amid the fastest pace of transformation with its strong focus on delivery and AI. It aims to consolidate innovation, skills and delivery for best customer value.

Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed price development contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on the basis of time elapsed. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Revenue recognition for fixed price maintenance contracts is based on utilisation of man power in a particular project during the period, which will be in accordance with master service agreement or purchase order or statement of work of respective projects. Revenue recognition for cost plus contracts is based on cost incurred towards a particular project during the period by adding the profit margin, according to master service agreement or purchase order or statement of work of respective projects. Trade receivable are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2019, 17,80,88 thousands of unbilled revenue pertaining to sales contracts as of April 1, 2018 has been reclassified to trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on fixed price maintenance contract basis and in cases where the performance obligation is part of a contract that has an original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

26. Other income

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest on bank deposits	3,127.86	1,877.18
Interest accrued on security deposits	166.67	-
Gain on cancellation of forward contracts	-	2,345.00
Net gain on disposal of property, plant and equipment	297.35	17.34
Miscellaneous income	9,765.45	1,084.03
TOTAL	13,357.33	5,323.54

Purchase of Software Licenses

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Purchase of Software Licenses	75,865.71	3,13,840.62
TOTAL	75,865.71	3,13,840.62

27. Employee benefits expense

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages and bonus	4,02,038.22	3,17,338.13
Contribution to provident fund	8,210.37	8,761.83
Gratuity	3,841.42	1,052.29
Leave encashment	7,228.21	1,904.15
Share based payments	225.07	1,334.66
Staff welfare expenses	44,143.44	29,446.90
TOTAL	4,65,686.74	3,59,837.95

28. Finance cost

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest on borrowings	14,115.91	15,316.93
Other borrowing cost	-	692.30
Interest on shortfall in payment of advance tax	222.99	424.15
TOTAL	14,338.90	16,433.38

29. Depreciation and amortization expense

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation of property, plant and equipment	4,557.96	4,342.03
Amortisation of intangible assets	27,087.56	29,963.60
TOTAL	31,645.52	34,305.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

30. Other expenses

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Subscriptions & Membership fee	6,883.24	6,511.59
Power and fuel	3,597.07	3,398.27
Repairs and maintenance	588.70	136.52
Insurance	2,671.13	1,878.75
Rates & taxes	3,758.26	4,476.11
Unwinding of Interest cost	158.09	-
Rent - Office Premises	18,830.48	21,407.23
Lease/Rent of Computer Equipment	22,151.06	7,730.23
Communication Expenses	9,446.04	12,976.72
Office Maintenance	11,231.07	11,258.97
Travelling & conveyance	41,699.96	27,686.40
Professional Fees	1,02,402.99	13,582.22
Payments to auditors (refer note 30 a)	2,122.54	1,934.32
Directors' sitting fee	380.00	320.00
Bad debts written off	1,203.50	6,770.04
Foreign exchange loss (net)	2,843.42	3,011.86
Provision for bad and doubtful debts	(178.49)	(381.30)
Fair valuation of investments	-	1,500.00
Expenses recoverable written off	-	12,646.67
Miscellaneous expenses	5,765.81	4,423.48
TOTAL	2,35,554.89	1,41,268.08

30 a. Payment to Auditors

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
(a) To statutory auditors		
- Statutory audit fee	1,815.77	1,296.82
- For other services (including fees for quarterly review)	288.00	456.00
- Reimbursement of expenses	18.77	31.50
TOTAL	2,122.54	1,784.32

30 b. Corporate Social Responsibility expenditure

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Amount required to be spent as per Section 135 of the Act	1,045.72	805.73
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above	-	-

31. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before income tax expense	1,97,771.71	1,22,189.49
Tax at the Indian tax rate of 27.82% (2018: 27.5525%)	7,773.10	12,492.06
Tax at the foreign tax rate of subsidiary of 26% (2017: 35%)	625.79	3,015.07
Effect of non-deductible expense	4,713.19	4,385.53
Effect of allowances for tax purpose	(2,718.27)	(1,741.92)
Effect of deferred tax	(1,102.37)	(25,066.75)
Income tax expense	9,291.45	(6,916.01)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in thousands, unless otherwise stated

32. Employee benefits**(i) Leave obligations**

The leave obligation covers the parent's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The Parent has defined contribution plans namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	31 March, 2019	31 March, 2018
Parent's Contribution to Provident Fund	5,929.83	6,487.18

(iii) Post-employment obligations

a) Gratuity

The parent provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The parent operates post retirement gratuity plan with HDFC Life Insurance. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Change in defined benefit obligations:		
Obligation at the beginning of the year	12,590.42	10,354.68
Current service costs	2,816.51	950.00
Interest costs	1,081.07	828.37
Remeasurement (gains)/losses	5,623.77	1,176.41
Benefits paid	(3,348.77)	(719.05)
Obligation at the end of the year	18,763.00	12,590.42
Change in plan assets:		
Fair value of plan assets at the beginning of the year	726.09	-
Interest income	56.17	-
Remeasurement (gains)/losses	(3.78)	31.34
Employer's contributions	3,348.77	694.75
Benefits paid	(3,348.77)	-
Fair value of plan assets at the end of the year	778.47	726.09
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	2,816.51	950.00
Net interest expenses	1,081.07	828.37
	3,897.59	1,778.38
Other comprehensive income:		
(Gain)/Loss on Plan assets	3.78	(31.34)
Actuarial (gain)/loss arising from changes in experience adjustments	5,623.77	1,207.75
	5,627.55	1,176.41
Expenses recognised in the statement of profit and loss	3,841.42	1,052.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in thousands, unless otherwise stated

Amounts recognised in the balance sheet consists of

Particulars	As at 31 March, 2019	As at 31 March, 2018
Fair value of plan assets at the end of the year	778.47	726.09
Present value of obligation at the end of the year	18,763.00	12,590.42
Recognised as		
Retirement benefit liability - Non-current	16,193.78	11,238.15
Retirement benefit liability - Current	1,790.75	626.18

Fair value of plan assets — 100% with LIC of India

Expected contributions to post-employment benefit plans of gratuity for the year ending 31 March 2020 are Rs. Rs. 17984 thousands.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation			
			Increase in assumption by		Decrease in assumption by	
	31 March, 2019	31 March, 2018	Rate	31 March, 2019	Rate	31 March, 2019
Discount rate	8.00%	8.00%	1%	1,827.58	1%	(2,164.41)
Salary growth rate	7.00%	7.00%	1%	(1,987.58)	1%	1,779.35
Attrition rate	5.00%	5.00%	1%	(106.25)	1%	129.51

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the parent is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

33. Financial instruments and risk management**Fair values**

- a) The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- b) The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
- c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves. Set out below, is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March, 2019		31 March, 2018	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost					
Non-current					
Investments	3	2,39,670.66	2,39,670.66	3,63,371.98	3,63,371.98
Other financial assets	3	24,516.83	24,516.83	46,935.06	46,935.06
Current					
Trade receivables	3	6,36,331.99	6,36,331.99	1,56,417.77	1,56,417.77
Cash and Cash Equivalents	3	20,696.16	20,696.16	9,033.13	9,033.13
Other bank balances	3	48,043.90	48,043.90	3,648.50	3,648.50
Loans	3	10,620.24	10,620.24	11,912.29	11,912.29
Other financial assets	3	2,639.62	2,639.62	1,83,813.28	1,83,813.28
Total		9,82,519.39	9,82,519.39	7,75,132.00	7,75,132.00
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	13,176.56	13,176.56	3,325.10	3,325.10
Current					
Borrowings	3	1,24,097.92	1,24,097.92	1,08,311.69	1,08,311.69
Trade Payables	3	31,613.31	31,613.31	46,455.49	46,455.49
Other Financial Liabilities	3	2,55,712.66	2,55,712.66	1,30,222.37	1,30,222.37
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	-	-	199.07	199.07
Total		4,24,600.44	4,24,600.44	2,88,513.72	2,88,513.72

*Fair value of instruments are classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

There has been no change in the valuation methodology for Level 3 inputs during the year. The group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

34. Financial risk management

The group is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2019 and 31 March, 2018.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar and SGD against the functional currencies of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollar and SGD exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	31 March, 2019	31 March, 2018
	USD	USD
Foreign currency liabilities		
Foreign currency term loan	359.84	137.83
Exposure to foreign currency risk - liabilities	359.84	137.83
Derivative liabilities		
Foreign exchange forward contracts	-	420.00
Net exposure to foreign currency risk	359.84	557.83

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Change in USD				
1% increase	3.60	5.58	2.60	4.04
1% decrease	(3.60)	(5.58)	(2.60)	(4.04)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollar where the functional currency of the entity is a currency other than US dollar.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement. As the group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March, 2019	31 March, 2018
Variable rate borrowings	70,080.51	19,709.53
Fixed rate borrowings	81,330.52	1,02,117.05
Total	1,51,411.03	1,21,826.58

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Change in interest rate				
increase by 100 basis points	(700.81)	(197.10)	(505.84)	(142.79)
decrease by 100 basis points	700.81	197.10	505.84	142.79

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment

(B) Credit Risk

Financial assets of the group include trade receivables, loans to wholly owned subsidiaries, employee advances, security deposits held with government authorities and others and bank deposits which represents group's maximum exposure to the credit risk.

With respect to credit exposure from customers, the group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to its wholly owned subsidiary and employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivable under simplified approach:

Particulars	31 March, 2019	31 March, 2018
Gross carrying amount	6,36,990.15	1,57,237.08
Expected credit losses (Loss allowance provision)	(658.16)	(819.31)
Carrying amount of trade receivables	6,36,331.99	1,56,417.77

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans to wholly owned subsidiaries and employee advances.

Particulars	31 March, 2019	31 March, 2018
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Loans	10,000.00	10,000.00
Employee advances	620.24	1,912.29
	10,620.24	11,912.29
Expected credit losses	-	-
Net carrying amount		
Loans	10,000.00	10,000.00
Employee advances	620.24	1,912.29
Total	10,620.24	11,912.29

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 1 April 2017	98.37
Changes in loss allowance during the period of 2017-18	381.30
Loss allowance as at 31 March, 2018	479.67
Changes in loss allowance during the period of 2018-19	178.49
Loss allowance as at 31 March, 2019	658.16

(iii) Significant estimates and judgements**Impairment of financial assets:**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. The group's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements: The group had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March, 2019	31 March, 2018
Expiring within one year (bank overdraft and other facilities)	42,384.04	290.47

(ii) Maturities of Financial liabilities**Contractual maturities of financial liabilities as at :**

Particulars	31 March, 2019		31 March, 2018	
	Less than 12months	More than 12months	Less than 12months	More than 12months
Borrowings	1,38,234.47	13,176.56	1,18,501.48	3,325.10
Trade Payables	31,613.31	-	46,455.49	-
Other Financial Liabilities	2,41,576.10	-	1,20,231.64	-
Total	4,11,423.89	13,176.56	2,85,188.62	3,325.10

(iii) Management expects finance cost to be incurred for the year ending 31 March 2020 is ₹ 1494 thousands.

35. Capital management

A. Capital management and Gearing Ratio

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a gearing ratio, which is debt divided by total capital. The group includes within debt, interest bearing loans and borrowings.

Particulars	31 March, 2019	31 March, 2018
Borrowings		
Current	1,24,097.92	1,08,311.69
Non current	13,176.56	3,325.10
Current maturities of long term debt	14,136.55	10,189.80
Debt	1,51,411.03	1,21,826.58
Equity		
Equity share capital	1,96,310.15	1,96,310.15
Other equity	4,15,324.52	3,73,556.08
Total capital	6,11,634.67	5,69,866.23
Gearing ratio in % (Debt/ capital)	24.76%	21.38%

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.

36. Contingent liabilities

The group has the following contingent liabilities as at:

Particulars	31 March, 2019	31 March, 2018
Service tax	32,576.18	32,576.18
Income tax	80,673.01	80,673.01
Total	1,13,249.19	1,13,249.19

37. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - Nil

38. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP):	
Mr. Aashish Kalra	Chairman & CEO (Whole Time Director)
Mr. D.R.R Swaroop	Whole Time Director
Mr. T.V.Siva Prasad (upto 8th August 2018)	Chief Financial Officer & Company Secretary
Mr. C S Leeladhar (w.e.f 9th August 2018)	Chief Financial Officer
Mr. Ashish Bhattad (w.e.f 9th August 2018)	Company Secretary
Mr. Hanumant Bhansali (w.e.f 28th May 2018)	Manager Corporate Finance & Head Investor Relations

ii) Non-whole-time Directors	
Mr. Venkat Motaparthy	Independent Director
Mr. B. Muralidhar (upto 21st May 2018)	Independent Director
Mrs. K. Jayalakshmi Kumari	Independent Director
Mr. Stefan Hetges	Non Executive Director
Mrs. Usha Srikanth (w.e.f. 7th August 2018)	Independent Director
iii) Enterprises in which KMP has control / significant influence	
Worldwide Technology Investements Pte Ltd	Mr. Aashish Kalra

Details of transactions during the year where related party relationship existed:

Particulars	Key Managerial Personnel		Subsidiary Companies	
	2018-19	2017-18	2018-19	2017-18
Remuneration*				
Mr. D.R.R Swaroop	2,638.66	2,500.00	-	-
Mr. T.V.Siva Prasad (upto 8th August 2018)	884.27	2,500.00	-	-
Mr Ashish Kalra	12,969.38	7,250.63	-	-
Mr. C S Leeladhar (w.e.f 9th August 2018)	1,918.96	-	-	-
Mr. Ashish Bhattad (w.e.f 9th August 2018)	441.09	-	-	-
Mr. Hanumant Bhansali (w.e.f 28th May 2018)	3,389.27	-	-	-
Sitting fees				
Mr. Venkat Motaparthy	170.00	130.00	-	-
Mr. B. Muralidhar (upto 21st May 2018)	-	110.00	-	-
Mrs. K. Jayalakshmi Kumari	180.00	80.00	-	-
Mr. Stefan Hetges	10.00	-	-	-
Mrs. Usha Srikanth (w.e.f. 7th August 2018)	20.00	-	-	-
Enterprises in which KMP has significant influence				
Worldwide Technology Investements Pte Ltd				
Loan repayable	-	-	44,295.29	56,724.79
Interest payable	-	-	12,469.21	7,045.33

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

39. Earnings per share (EPS)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit after tax (in thousands)	1,88,480	1,29,105
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos in thousands)	19,631	19,631
Face value per share	10.00	10.00
Basic and Diluted Earnings per Share (EPS)	9.60	6.58

40. Leases

The Company has taken office premises on operating lease at the following locations

Hyderabad & Bangalore for a period of 5 years

Mumbai for a period of 1 year

Georgia, USA for a period of 2 years

Kansas, USA for a period of 3 years

Louisville, USA for a period 3 years

Particulars of lease payments are as follows:

Particulars	₹ in Thousands
Lease payments:	
Not later than one year	16,485.69
Later than one year but not later than five years	60,503.81
Later than five years	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

41. Additional information, as required under Schedule III to The Companies Act, 2013

Statement of Net Assets, Profit and Loss and other comprehensive Income attributable to owners and non-controlling interest

Name of the Entity	Net Assets, i.e. Total Assets minus Total Liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated Net assets	Amount	As a % of consolidated Profit and Loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent								
Cambridge Technology Enterprises Ltd	54.47	3,33,177.99	10.38	19,558.11	(5.68)	8,402.27	68.96	27,960.38
Subsidiaries								
India								
1. Cambridge Innovations Pvt. Ltd	(0.28)	(1,691.35)	(0.44)	(833.10)	-	-	(2.05)	(833.10)
2. Cambridge Bizserve Pvt. Ltd	(0.02)	(105.92)	(0.01)	(25.00)	-	-	(0.06)	(25.00)
Foreign								
1. Cambridge Technology Inc	(4.38)	(26,804.31)	(183.21)	(3,45,318.26)	-	-	(851.68)	(3,45,318.26)
2. Cambridge Technology Investments Pte Ltd	(1.12)	(6,840.63)	(0.19)	(362.22)	-	-	(0.89)	(362.22)
3. Cambridge Innovations Capital LLC	53.97	3,30,073.41	279.82	5,27,396.63	105.68	(1,56,336.94)	915.17	3,71,059.69
4. Cambridge Bizserve Inc	(2.64)	(16,174.54)	(6.33)	(11,935.89)	-	-	(29.44)	(11,935.89)
TOTAL	100.00	6,11,634.64	100.00	1,88,480.27	100.00	(1,47,934.67)	100.00	40,545.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

42. Information about revenue

Revenue from external customers - Sale of Services - Rs. 945,841.58 thousands

Revenue from external customers - Sale of Products - Rs. 79,697.13 thousands

43. Share based payments (Ind AS 102)

The Company has granted options to its eligible employees in various ESOS Schemes, details are as under:

(A) Employee Stock Option Scheme:

Particulars	CTEL Employee Stock Option Scheme - 2008	CTEL ESOP Scheme 2011	ESOS - 2015
Vesting Plan	Year I - 40% Year II - 30% Year III - 30%	5 years	3 years
Exercise Period	Any time after the vesting period subject to continuance of employment and the other conditions mentioned in the scheme	5 years	5 years
Grant Date	21-Oct-08	10-Jul-15	09-Mar-16
Exercise Price (Rs. Per share)	25.9	38	80
Fair Value on the date of Grant of Option (Rs. Per share)	15.97	8.47	46.16
Method of Settlement	Equity	Equity	Equity

(B) Movement of Options Granted along with weighted average exercise price (WAEP):**CTEL Employee Stock Option Scheme - 2008**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	1000	25.9	1000	25.9
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Forfeited during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	1000	25.9	1000	25.9
Options exercisable at the end of the year	1000	25.9	1000	25.9

CTEL ESOP Scheme 2011

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	229600	38	237100	38
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	1000	38	Nil	Nil
Forfeited during the year	300	38	7500	38
Outstanding at the end of the year	228300	38	229600	38
Options exercisable at the end of the year	228300	38	Nil	Nil

- The weighted average share price on stock exchange at the date of exercise of options was Rs. 52.94 per share as at March 31, 2019.
- The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4 years & 3 months (March 31, 2018: 5 years & 3 months).

ESOS - 2015

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	107600	80	153500	80
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Forfeited during the year	13100	80	45900	80
Outstanding at the end of the year	94500	80	107600	80
Options exercisable at the end of the year	94500	80	Nil	Nil

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 5 years (March 31, 2018 : 6 years).

(C) Fair Valuation:

The fair value of option have been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

The key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

(a) For CTEL Employee Stock Option Scheme - 2008

1. Risk Free Rate	7.42% - 7.73%
2. Option Life	2.5 - 4.5 years
3. Expected Volatility*	63.77%
4. Expected Growth in Dividend	0.00%

(b) For CTEL ESOP Scheme 2011

1. Risk Free Rate	8%
2. Option Life	3 years
3. Expected Volatility*	9.48%
4. Expected Growth in Dividend	0.00%

(c) For ESOS 2015

1. Risk Free Rate	7.83%
2. Option Life	3 years
3. Expected Volatility*	43.05%
4. Expected Growth in Dividend	0.00%

*Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the options up to the date of grant.

(D) Details of the liabilities arising from the Share based payments were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Carrying amount	6295.82	6070.75

44. Figures of the previous period have been regrouped/reclassified / rearranged wherever necessary.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 000125S

For and on behalf of the Board

M.V. Ranganath

Partner

Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

Place: Hyderabad

Date : 27th May, 2019

Independent Auditor's Report

To the Members of Cambridge Technology Enterprises Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Cambridge Technology Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Transactions with related parties - Revenue Recognition A significant part of the revenue generated during the year arose out of transactions with the wholly owned subsidiary of the Company (Note 38 to the Standalone Financial Statements). Due to the materiality involved, the revenue requires to be recognised at arms-length.	Principal Audit Procedures Our audit procedures include– <ul style="list-style-type: none"> • Testing controls over sales process to related parties including application of margin based on the agreement. • Testing the supporting documentation for sales transactions including transfer pricing documentation prepared by the Company. We involved tax specialists to assess the key assumptions made by the management. • Assessing the application of the Company's transfer pricing documentation in executing business transactions.
2.	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant management judgment to determine the possible outcome of these disputes. Refer Note No 36 to the Standalone Financial Statements	Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
3.	Impairment for investments in subsidiaries The Company has significant investments in subsidiaries which is recorded at cost. Impairment of investment in subsidiaries is considered as a key audit matter due to the materiality of investments. Management applies judgement in evaluating whether indicators of impairment are present.	Principal Audit Procedures Our audit procedures include: <ul style="list-style-type: none"> • Testing of controls over the review of the impairment analysis for investments. • Assessed management's assessment of indicators of impairment for reasonableness. • Evaluated the adequacy of the disclosures in accordance with the requirements of Ind AS.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion & Analysis Report and Corporate Governance Report but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Report of the Directors, Management Discussion & Analysis Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events

in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 36);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.Anandam & Co.,
Chartered accountants
(Firm Registration No.000125S)

M.V. Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date: 27th May, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Cambridge Technology Enterprises Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

M.V. Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date: 27th May, 2019

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties. Accordingly, reporting under clause (i) (c) of the Order is not applicable to the Company.
- (ii) The Company does not have any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has made investments and granted loans which is in compliance with the provisions of Section 185 and 186 of the Act. The Company has not provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, customs duty, cess and any other statutory dues as applicable with the appropriate authorities, except for tax deducted at source which has not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. There were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, goods and service tax, wealth tax, customs duty or cess as at 31st March, 2019 which have not been deposited on account of any dispute pending are as under:

Name of the statute	Nature of the dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax	1766.00	AY 2011-12	CIT (Appeals)
		743.37	AY 2012-13	ITAT, Hyderabad
		70910.98	AY 2013-14	ITAT, Hyderabad
		7252.66	AY 2014-15	ITAT, Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans from the government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations give to us the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.Anandam & Co.,
Chartered accountants
(Firm Registration No.000125S)

M.V. Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date: 27th May, 2019

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
I. ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4.1	3,295.36	5,008.62
(b) Intangible asset under development		826.94	-
(c) Other Intangible assets	4.2	376.29	446.91
(d) Financial assets			
(i) Investments	5.1	2,44,527.29	2,18,320.16
(ii) Other financial assets	5.2	24,110.00	46,392.54
(e) Other non-current assets	6	2,599.28	2,500.00
(f) Deferred tax assets (net)	7	27,361.19	27,957.56
(g) Amount recoverable from ESOP Trust		11,900.00	11,900.00
Current Assets			
(a) Financial assets			
(i) Trade receivables	8	66,832.21	82,294.05
(ii) Cash and cash equivalents	9	1,863.84	4,764.20
(iii) Bank balances other than (ii) above	10	48,043.90	3,648.50
(iv) Loans	11	18,227.61	15,936.01
(v) Other financial assets	12	2,391.64	1,986.85
(b) Current tax assets (net)	13	5,207.17	5,851.42
(c) Other current assets	14	10,815.89	10,461.88
TOTAL ASSETS		4,68,378.61	4,37,468.69
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,96,310.15	1,96,310.15
(b) Other equity	16	1,36,867.84	1,21,146.63
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
Borrowings	17	13,176.56	3,325.10
(b) Provisions	18	21,750.17	13,301.34
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	22,615.96	19,709.53
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		173.42	228.79
b) total outstanding dues of creditors other than micro enterprises and small enterprises		10,472.93	28,665.20
(iii) Other financial liabilities	21	52,667.94	41,779.76
(b) Other current liabilities	22	11,005.70	8,365.21
(c) Provisions	23	2,938.49	1,063.66
(d) Current tax liabilities (net)	24	399.45	3,573.31
TOTAL EQUITY AND LIABILITIES		4,68,378.61	4,37,468.69
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 000125S

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Place: Hyderabad
Date : 27th May, 2019

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	Note	Year ended 31 March, 2019	Year ended 31 March, 2018
I. Revenue from operations	25	3,66,620.87	6,30,536.88
II. Other income	26	4,085.46	5,386.85
III. Total Income (I + II)		3,70,706.33	6,35,923.73
IV. Expenses			
Purchase of software licenses		21,186.35	2,59,784.77
Subcontracting expenses		17,695.44	7,611.01
Employee benefits expense	27	2,33,953.61	2,18,121.53
Finance costs	28	4,189.37	3,245.14
Depreciation and amortization expense	29	3,011.19	8,633.76
Other expenses	30	62,729.68	93,188.39
Total expenses		3,42,765.64	5,90,584.61
V. Profit before tax (III - IV)		27,940.69	45,339.12
VI. Tax expense:			
(1) Current tax		9,768.02	15,135.67
(2) Deferred tax		(1,385.44)	(4,299.75)
VII. Profit for the year (V-VI)		19,558.11	34,503.20
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		(5,627.55)	(1,176.41)
b) Income tax relating to item (a) above		1,565.58	327.28
Other comprehensive income (net of tax)		(4,061.97)	(849.14)
IX. Total comprehensive income for the year		15,496.14	33,654.07
X. Earnings per equity share (Face Value of 10 each)			
(1) Basic	39	1.00	1.76
(2) Diluted		1.00	1.76
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 0001255

For and on behalf of the Board**M.V. Ranganath**

Partner

Membership No. 028031

Aashish Kalra

Chairman & CEO

DIN : 01878010

Jayalakshmi Kumari Kanukollu

Director

DIN : 03423518

D.R.R. Swaroop

Wholetime Director

DIN : 00453250

Ashish Bhattad
Company Secretary**C.S. Leeladhar**
Chief Financial Officer

Place: Hyderabad

Date : 27th May, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

a. Equity share capital

Particulars	Note	Amount
As at 01 April 2017	15	1,96,310.15
Changes in equity share capital		-
As at 31 March 2018		1,96,310.15
Changes in equity share capital		-
As at 31 MARCH, 2019		1,96,310.15

b. Other equity

Particulars	Note	Reserves and Surplus			Total
		Capital reserve	Share options outstanding reserve	Retained earnings	
Balance as at 1 April, 2017	16	499.00	4,736.08	80,922.82	86,157.90
Profit for the year		-	-	34,503.20	34,503.20
Other comprehensive income		-	-	(849.14)	(849.14)
Recognition of share based payments		-	1,334.66	-	1,334.66
Balance as at 31 March, 2018		499.00	6,070.74	1,14,576.88	1,21,146.63
Profit for the year		-	-	19,558.11	19,558.11
Other comprehensive income		-	-	(4,061.97)	(4,061.97)
Recognition of share based payments		-	225.07	-	225.07
Balance as at 31 March, 2019		499.00	6,295.82	1,30,073.02	1,36,867.84

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,
Chartered Accountants
Firm Registration Number : 0001255

M.V. Ranganath
Partner
Membership No. 028031

Place: Hyderabad
Date : 27th May, 2019

For and on behalf of the Board

Aashish Kalra **Jayalakshmi Kumari Kanukollu**
Chairman & CEO Director
DIN : 01878010 DIN : 03423518

D.R.R. Swaroop
Wholesale Director
DIN : 00453250

Ashish Bhattad **C.S. Leeladhar**
Company Secretary Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Cash flow from operating activities		
Profit before tax	27,940.69	45,339.12
Adjustments for:		
Depreciation and amortisation expense	3,011.19	8,633.76
(Gain)/Loss on disposal of property, plant and equipment	50.84	(17.34)
Expenses recoverable written off	-	12,646.67
Provision for doubtful debts	(302.65)	511.51
Bad Debts written off	728.68	567.76
Share based payments	225.07	1,334.66
Finance costs	4,189.37	3,245.14
Fair valuation of forward contracts	-	611.07
Provision for diminution in the value of Investment	-	1,500.00
Remeasurement of defined employee benefit plans	(5,627.55)	(1,176.41)
Interest on Rent Deposit	(166.67)	-
Unwinding of interest costs	158.09	-
Operating Profit before working capital changes	30,207.06	73,195.95
Change in operating assets and liabilities		
(Increase)/Decrease in Trade Receivables	15,035.80	(65,548.67)
Increase in financial assets other than trade receivables	(24,809.25)	(14,923.98)
Decrease in other assets	2,016.55	5,226.73
Increase /(Decrease) in Trade payables	(18,247.64)	12,481.33
Increase in other financial liabilities	6,944.94	16,787.88
Increase in provisions	10,323.66	2,064.75
Decrease in other liabilities	(6,754.00)	(28,969.04)
Cash Generated from Operations	14,717.13	314.95
Income taxes paid	(1,817.01)	(7,295.68)
Net cash inflow/(outflow) from operating activities	12,900.12	(6,980.73)
Cash flows from investing activities		
Investment in Subsidiary	(26,207.14)	-
Payments for property plant and equipment	(2,114.58)	(3,028.87)
Proceeds from sale of property, plant and equipment	9.50	143.00
Net cash outflow from investing activities	(28,312.22)	(2,885.87)
Cash flow from financing activities		
Proceeds from non current borrowings (Refer note 19.2)	9,851.46	10,910.25
Proceeds from current borrowings	6,849.67	5,308.38
Finance costs	(4,189.37)	(3,245.14)
Net cash inflow from financing activities	12,511.76	12,973.48
Net increase / (decrease) in cash and cash equivalents	(2,900.36)	3,106.89
Cash and Cash equivalents at the beginning of the year	4,764.20	1,657.32
Cash and Cash equivalents at the end of the year	1863.84	4764.20

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co.,

Chartered Accountants

Firm Registration Number : 000125S

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholesale Director
DIN : 00453250

Place: Hyderabad
Date : 27th May, 2019

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts have been presented in Rupees thousands unless otherwise specified)

1 Company overview

Cambridge Technology Enterprises Limited (CTE), “the Company” is a public limited company incorporated in India having its registered office at Hyderabad, Telangana, India. The Company is an information technology services provider dedicated to serving the midsize market enterprises and the midsize units of Global 2000 enterprises across the spectrum of business industries. The Company was incorporated on January 28, 1999 in Hyderabad, Telangana, India.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 (‘the Act’) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of preparation:

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Revenue Recognition**i) Income from Software services**

Revenue is recognised upon transfer of control of services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. • Revenue from fixed price development contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc. • Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

ii) Income from Software Products

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts requiring significant implementation services, where revenue is recognized as per the percentage of completion method.

iii) Other income

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

d) Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing

costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are included in the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

e) Employee benefits

- (i) Short-term obligations Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- (ii) Other long-term employee benefit obligations The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.
- (iii) Gratuity obligations The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.
- iv) Defined contribution plans
The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid, the contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.
- (iv) Employee Share-based payments Stock Options are granted to eligible employees in accordance with the CTE Employee Stock Option Schemes ("CTE ESOS"), as may be decided by the Nomination & Compensation Committee. Eligible employees for this purpose include employees of the Company including Directors. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments

expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

f) Income Taxes

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

g) Property, plant and equipment:

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Lease Hold improvements are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of input taxes less accumulated depreciation in accordance with Lease hold period.

h) Expenditure during construction period:

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or

construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

i) Depreciation

Depreciation on tangible assets is provided on the written down value method and at the useful life and in the manner specified in Schedule II of the Companies Act, 2013. For assets acquired or disposed off during the year, depreciation is provided on prorata basis.

Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are depreciated over the the remaining primary period of lease.

j) Intangible Assets and Amortization:

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

The amortized period and amortization method are reviewed at each financial year end.

Software used in development for projects are amortized over the license period or estimated useful life of two years, whichever is lower.

k) Impairment of Assets:

Intangible assets and property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

l) Provisions, Contingent Liabilities & Contingent Assets:

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statment of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

m) Investments in Subsidiary Company:

Investments in subsidiary companies are measured at cost less impairment

n) Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets**(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- (iv) The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities and equity instruments**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant

Interest bearing bank loans, overdrafts and unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

n) Earnings Per Share :

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p) Transactions in foreign currencies:

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

q) Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based

on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

r) Derivatives:

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

s) Leases:

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

The Company as lessee

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company as lessor

Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

t) Dividend Distribution:

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

u) Rounding off amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

v) Standards issued but not yet effective:

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

On 30th March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April, 2019:

1. The Rules have notified the new lease standard Ind AS 116, Leases. Ind AS 17, Leases has been withdrawn. The Rules also bring in consequential amendments to other Ind AS as a result of notification of Ind AS 116. The Company is assessing the implication of the above change.
2. Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The Company is assessing the implication of the above change.
3. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. This amendment is not applicable to the Company.

4. Amendment to Ind AS 19, Employee Benefits. This amendment requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. This amendment will not impact the financial statements of the Company.
5. Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. This amendment will not impact the financial statements of the Company.
6. Amendment to Ind AS 28, Investments in Associates and Joint Ventures. Investors could have long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture. The amendment clarifies that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28. An illustrative example is also provided in Appendix A of Ind AS 28. This amendment is not applicable to the Company.
7. Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation. This amendment will not impact the financial statements of the Company.
8. Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is remeasured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation should not remeasure its previously held interest in the joint operation. This amendment is not applicable to the Company.

3 Use of estimates and critical accounting judgements:

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

4.1(a) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019
	Plant & Equipment	371.99	-	-	371.99	128.92	46.56	-	175.48	196.52
Electrical Fittings	995.34	-	-	995.34	202.45	206.40	-	408.85	586.49	586.49
Furniture & Fixtures	716.59	73.47	-	790.06	287.63	100.33	-	387.96	402.10	402.10
Computers	3,017.41	677.12	268.53	3,426.00	2,102.74	484.14	208.19	2,378.69	1,047.32	1,047.32
Server & Networking Equipment	494.62	-	-	494.62	297.13	71.49	-	368.62	126.01	126.01
Office Equipment	2,147.68	29.99	-	2,177.67	1,254.78	348.46	-	1,603.24	574.43	574.43
Leasehold Improvements	4,032.62	90.25	-	4,122.87	2,493.99	1,266.38	-	3,760.37	362.50	362.50
TOTAL	11,776.26	870.83	268.53	12,378.55	6,767.63	2,523.75	208.19	9,083.19	3,295.36	3,295.36

4.1(b) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018	As at 31 March 2018	As at 31 March 2018
	Plant & Equipment	371.99	-	-	371.99	71.30	57.62	-	128.92	243.08
Electrical Fittings	24.61	970.73	-	995.34	7.77	194.67	-	202.45	792.89	792.89
Furniture & Fixtures	716.59	-	-	716.59	158.99	128.64	-	287.63	428.96	428.96
Computers	2,486.73	656.35	125.67	3,017.41	1,302.56	800.18	-	2,102.74	914.68	914.68
Server & Networking Equipment	494.62	-	-	494.62	177.03	120.10	-	297.13	197.49	197.49
Office Equipment	2,016.97	130.71	-	2,147.68	693.82	560.96	-	1,254.78	892.90	892.90
Leasehold Improvements	3,454.53	578.10	-	4,032.62	1,156.33	1,337.66	-	2,493.99	1,538.63	1,538.63
TOTAL	9,566.05	2,335.87	125.67	11,776.26	3,567.81	3,199.83	-	6,767.63	5,008.62	5,008.62

4.2(a) Other intangible assets

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount As at 31 March 2019
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	As at 31 March 2019	
Computer Software	11,913.84	416.82	-	12,330.67	11,466.94	487.43	-	11,954.37	376.29
Total	11,913.84	416.82	-	12,330.67	11,466.94	487.43	-	11,954.37	376.29

4.2(b) Other intangible assets

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount As at 31 March 2018
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018	
Computer Software	11,220.85	692.99	-	11,913.84	6,033.00	5,433.94	-	11,466.94	446.90
Total	11,220.85	692.99	-	11,913.84	6,033.00	5,433.94	-	11,466.94	446.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

5.1. Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unquoted		
Investments measured at cost, unless otherwise stated		
Equity instruments		
Wholly owned subsidiaries		
(a) Cambridge Technology Inc., USA (23,59,082 equity shares of US\$ 1 each, fully paid up) (31 March, 2018 : 19,56,700 equity shares of US\$ 1 each, fully paid up)	1,53,496.63	1,27,289.50
(b) Cambridge Technology Investments Pte Ltd., Singapore (20,83,700 equity shares of SGD 1 each, fully paid up) (31 March, 2018 : 20,83,700 equity shares of SGD 1 each, fully paid up) [(Cost - Rs. 10.02 crores, 31 March, 2018 - Rs. 10.02 crores) Impaired]	90,830.66	90,830.66
(c) Cambridge Bizserve Pvt. Ltd., India (10,000 equity shares of Rs.10 each, fully paid up) (31 March, 2018 : 10,000 equity shares of Rs.10 each, fully paid up)	100.00	100.00
(d) Cambridge Innovations Pvt. Ltd., India (10,000 equity shares of Rs.10 each, fully paid up) (31 March, 2018 : 10,000 equity shares of Rs.10 each, fully paid up)	100.00	100.00
Other entities - Fair value through profit and loss (FVTPL)		
Preference shares (unquoted)		
(a) AnthHill Startups Advisory Pvt Ltd., India (Fully Impaired) (250 preference shares of Rs.10 each, fully paid up) (31 March, 2018 : 250 preference shares of Rs.10 each, fully paid up) [(Cost - Rs. 15 lakhs, 31 March, 2018 - Rs. 15 lakhs) Fully Impaired]		
TOTAL	2,44,527.29	2,18,320.16
Aggregate amount of unquoted investments	2,44,527.29	2,18,320.16
Aggregate amount of impairment in value of investments	10,841.35	10,841.35

5.2. Other financial assets (non-current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
(a) Rental deposits	12,589.49	13,589.91
(b) Deposits with others	345.24	383.99
(c) Earmarked balances with banks Margin Money Deposits	11,175.27	32,418.64
TOTAL	24,110.00	46,392.54

5.2.1. Fixed Deposits include Deposits against Bank Guarantees - Rs. 850.49 thousands (2018 - Rs. 11,131.70 thousands), Deposits against borrowings - Rs. 10,130.55 thousands (2018 - 17,915.92 thousands), Deposits with Customs Dept. - Rs. 194.23 thousands (2018 - Rs. 184.43 thousands); and Deposits against forward contracts - Nil (2018 - Rs. 3186.59 thousands)

6. Other non-current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Amount paid under protest - service tax	2,500.00	2,500.00
Prepaid rent deposit	99.28	-
TOTAL	2,599.28	2,500.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

7. Deferred tax assets (net)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Deferred tax assets		
On Account of:		
Depreciation and amortisation	2,188.01	2,189.24
Expenses allowable on payment basis	9,176.12	6,223.86
Unused tax credits	15,997.07	19,544.45
TOTAL	27,361.20	27,957.56

Movement in deferred tax assets (net)

Particulars	WDV of depreciable	Expenses allowable on	Unused tax credits	Total
	PPE & Intangible assets	payment basis		
As at 31st March, 2018	2,189.24	6,223.86	19,544.45	27,957.56
(Charged)/ Credited				
to statement of profit and loss	(1.23)	2,952.26	(3,547.39)	(596.36)
As at 31st March, 2019	2,188.01	9,176.12	15,997.07	27,361.20

8. Trade receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good	67,055.57	82,820.06
	67,055.57	82,820.06
Less: Allowance for bad and doubtful trade receivables	223.36	526.01
TOTAL	66,832.21	82,294.05

9. Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Balances with banks		
- in current accounts	1,840.18	1,335.05
- funds in transit	-	3,252.00
b) Cash on hand	23.66	177.15
TOTAL	1,863.84	4,764.20

10. Other bank balances

Particulars	As at 31 March, 2019	As at 31 March, 2018
Earmarked balances with banks		
Margin money deposits	48,043.90	3,648.50
TOTAL	48,043.90	3,648.50

10.1. Fixed Deposits include Deposits against Bank Guarantees - Rs.29,497.89 thousands (2018 - Rs. 3648.50 thousands), Deposits against borrowings - Rs. 18,546.01 (2018 - Nil)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

11. Loans (current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
Loans to related parties (Refer Note 38)	17,607.37	14,023.72
Employee advances	620.24	1,912.29
TOTAL	18,227.61	15,936.01

Loan has been given to wholly owned subsidiary, Cambridge Innovations Pvt Ltd, @ 8% p.a. for advancement of the business.

11.1 Disclosure of Loans and advances given to subsidiaries as per Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 :

Name of the Subsidiary Company	Amount Outstanding		Maximum Balance Outstanding during the year ended	
	As at 31 March, 2019	As at 31 March, 2018	31 March, 2018	31 March, 2017
Cambridge Technology Inc.	5,810.10	3,124.55	7,103.58	3,124.55
Cambridge Bizserve Pvt Ltd.	105.92	55.92	105.92	55.92
Cambridge Innovations Pvt Ltd	11,691.35	10,843.25	11,691.35	10,843.25
Cambridge Technology Investments Pte Ltd	-	-	-	-

12. Other financial assets (current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Accrued interest on fixed deposits	316.04	119.28
Employee advances	2,055.45	1,480.58
Unbilled revenue	-	383.48
Other receivables	20.15	3.50
TOTAL	2,391.64	1,986.85

13. Current tax assets (net)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advance tax	45,748.52	36,250.69
Less: Provision for tax	(40,541.35)	(30,399.27)
TOTAL	5,207.17	5,851.42

14. Other current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid expenses	3,314.33	2,881.64
Input taxes receivable	7,392.25	7,214.91
Advance to vendors	24.31	280.33
Deposits with customers	85.00	85.00
TOTAL	10,815.89	10,461.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

15. Equity share capital

Particulars	As at 31 March, 2019	As at 31 March, 2018
3,00,00,000 (2018 - 3,00,00,000) Equity Shares of Rs.10/- each	3,00,000.00	3,00,000.00
TOTAL	3,00,000.00	3,00,000.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,96,31,015 (2018 - 1,96,31,015) Equity Shares of Rs.10/- each fully paid up	1,96,310.15	1,96,310.15
TOTAL	1,96,310.15	1,96,310.15

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 1, 2017	1,96,31,015	1,96,310.15
Movement during the year	-	-
Balance at March 31, 2018	1,96,31,015	1,96,310.15
Movement during the year	-	-
Balance at March 31, 2019	1,96,31,015	1,96,310.15

(B) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% holding	No. of Shares	% holding
1. Cloud Computing LLC	92,09,693	46.91%	92,09,693	46.91%
2. SmartShift AG	20,06,100	10.22%	20,06,100	10.22%

(C) Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a face value of 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16. Other equity

Particulars	As at 31 March, 2019	As at 31 March, 2018
Reserves and surplus		
Capital reserve	499.00	499.00
Share options outstanding reserve	6,295.82	6,070.75
Retained earnings	1,30,073.02	1,14,576.88
TOTAL	1,36,867.84	1,21,146.63

(i) Capital reserve

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	499.00	499.00
Movement during the year	-	-
Closing balance	499.00	499.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

(ii) Share options outstanding reserve

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	6,070.75	4,736.08
Movement during the year	225.07	1,334.66
Closing balance	6,295.82	6,070.75

(iii) Retained earnings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	1,14,576.88	80,922.81
Profit for the year	19,558.11	34,503.20
Items of other comprehensive income recognised directly in retained earnings - Remeasurement of defined employee benefit plans, net of tax	(4,061.97)	(849.14)
Closing balance	1,30,073.02	1,14,576.88

Nature and purpose of reserves**(i) Capital reserve**

This reserve was created at the time of buy back of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share options outstanding reserve

This reserve relates to stock options granted by the Company to employees under the CTEL ESOP Schemes. The balance will be transferred to securities premium or retained earnings on exercise or cancellation of vested options.

(iii) Retained earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve will be utilized in accordance with the provisions of the Companies Act, 2013.

17. Borrowings (non - current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Secured loans		
Term loans from banks	12,872.30	1,762.98
b) Unsecured loans		
Term loan from banks	304.25	308.13
From others	-	1,253.99
TOTAL	13,176.56	3,325.10

Term loans from banks represents three foreign currency term loan taken from Kotak Mahindra Bank Limited. Foreign currency term loan is secured by way of first and exclusive charge on all existing and future current and movable Property, plant and equipment of the Company, second charge on constant OD/PCFC/BG - KMBL TD(s) of ₹ 25000 thousands, personal guarantee of Mr Dharani Raghuram Swaroop and corporate guarantee of M/s CTE Employees Foundation. The loan carries a rate of interest @ 6% p.a. as at the balance sheet date. One loan is repayable in 29 equated monthly instalments of USD 11,445 as on balance sheet date. The second loan is repayable in 3 equated monthly instalments of USD 9204.

Unsecured term loan from banks represents loan from Kotak Mahindra Bank Limited and carries rate of interest @ 16% p.a. The loan is repayable in 14 equated monthly instalments of ₹ 157 thousands.

Loans from others represents loan taken from Bajaj Finance Limited. Loan carries a rate of interest @ 17.5% p.a and is repayable in 12 equated monthly instalments of ₹ 115 thousands.

18. Provisions (non - current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
- Leave encashment	5,556.39	2,063.19
- Gratuity	16,193.78	11,238.15
TOTAL	21,750.17	13,301.34

19. Borrowings (current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current		
Secured loans		
Working capital loan from bank	22,615.96	19,709.53
TOTAL	22,615.96	19,709.53

19.1 Working capital loan from bank represents Over draft from Kotak Mahindra Bank Limited and CITI bank NA. Overdraft from Kotak Mahindra Bank Limited is secured by way of first and exclusive charge on all existing and future current and movable Property, plant and equipment of the Company, second charge on constant OD/PCFC/BG - KMBL TD(s) of ₹ 25000 thousands, personal guarantee of Mr Dharani Raghuram Swaroop and corporate guarantee of M/s CTE Employees Foundation. The loan carries a rate of interest of MCLR 6M + 1.8% p.a. Cash Credit from Citi Bank NA, secured by way of fixed deposits of Rs. 18,000 thousand, demand promissory note and letter of continuity for Rs.40,000 thousand.

19.2 Net Debt Reconciliation

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance of borrowings	33,227.93	17,009.32
Add: Proceeds/ (repayment) from non-current borrowings (net)	9,851.46	10,910.25
Add: Proceeds/ (repayment) from current borrowings (net)	6,849.67	5,308.37
Fair Value Adjustment	-	-
Closing balance of borrowings	49,929.07	33,227.93

20. Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Dues to micro and small enterprises (Refer Note below)	173.42	228.79
Dues to creditors other than micro and small enterprises	10,472.93	28,665.20
TOTAL	10,646.35	28,893.99

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	155.10	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	18.33	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	18.33	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	18.33	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.48	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

21. Other financial liabilities (current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long term debt	14,136.55	10,193.30
Foreign-exchange forward contracts not designated as hedges	-	199.07
Employee benefits payable	30,279.96	23,519.47
Outstanding expenses payable	8,251.43	7,867.93
TOTAL	52,667.94	41,779.76

22. Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances from customers	989.65	1,148.94
Statutory liabilities	10,016.05	7,216.27
TOTAL	11,005.70	8,365.21

23. Provisions (current)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
- Leave encashment	1,147.74	437.48
- Gratuity	1,790.75	626.18
TOTAL	2,938.49	1,063.66

24. Current tax liabilities (net)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for tax	9,991.02	15,559.81
Less: Advance tax	(6,044.18)	(6,568.76)
Less: Tax credits utilised	(3,547.39)	(5,417.73)
TOTAL	399.45	3,573.32

25. Revenue from operations

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue from Operations		
(a) Sale of services - software services	3,44,437.87	3,62,795.97
(b) Sale of software licenses	22,183.00	2,67,740.91
TOTAL	3,66,620.87	6,30,536.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year Ended March 31, 2019
1. Revenue by Types of Goods or Services	
- Sale of software services	3,44,437.87
- Sale of software licenses	22,183.00
Total Sales	3,66,620.87
2. Revenue by Geographical Locations	
- India	76,333.34
- USA	2,90,287.53
Total Sales	3,66,620.87
3. Revenue by Market/Type of Customers	
- Government Entities	23,086.18
- Others	3,43,534.69
Total Sales	3,66,620.87
4. Revenue by Types of Contracts	
- Fixed Price Development Contracts	71,115.99
- Fixed Price Maintenance Contracts	3,015.31
- Cost Plus Contracts	292,489.57
Total Sales	3,66,620.87

Software services

Cambridge Technology (CT) is a global technology company focused on Artificial Intelligence as a Service (AlaaS) to transform organizations into AI-first leaders. AI is not a one-size-fits-all solution. It needs incorporation of numerous aspects of technologies, platforms, and services tailored to meet the specific business needs. CT offers solutions ranging from strategic workshops to AlaaS implementation and elements that are required to put all of these things together. CT's offerings fit together because of its understanding towards the entire lifecycle of a business. CT's offerings include, AI, Big Data and Cloud services, Application and Development services, IAM and Infrastructure management services. The company is confident of staying innovative amid the fastest pace of transformation with its strong focus on delivery and AI. It aims to consolidate innovation, skills and delivery for best customer value.

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed price development contracts contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on the basis of time elapsed. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Revenue recognition for fixed price maintenance contracts is based on utilisation of man power in a particular project during the period, which will be

according to master service agreement or purchase order or statement of work of respective projects. Revenue recognition for cost plus contracts is based on cost incurred towards a particular project during the period by adding the profit margin, according to master service agreement or purchase order or statement of work of respective projects. Trade receivable are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2019, Rs. 383.48 thousand of unbilled revenue pertaining to sales contract as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on fixed price maintenance contract basis and in cases where the performance obligation is part of a contract that has an original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

26. Other income

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest on bank deposits	3,102.28	1,857.33
Interest accrued on security deposits	166.67	-
Interest on loan to subsidiary	800.00	800.00
Gain on cancellation of forward contracts	-	2,345.00
Net gain on disposal of property, plant and equipment	-	17.34
Miscellaneous income	16.51	367.18
TOTAL	4,085.46	5,386.85

27. Employee benefits expense

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages and bonus	2,10,063.97	2,01,025.57
Contribution to provident fund	5,929.83	6,487.18
Gratuity	3,841.42	1,052.29
Leave encashment	7,228.21	1,904.15
Share based payments	225.07	1,334.66
Staff welfare expenses	6,665.11	6,317.68
TOTAL	2,33,953.61	2,18,121.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

28. Finance cost

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest on borrowings	3,464.75	2,128.70
Other borrowing costs	501.63	692.30
Interest on shortfall in payment of advance tax	222.99	424.15
TOTAL	4,189.37	3,245.14

29. Depreciation and amortization expense

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation of property, plant and equipment	2,523.75	3,199.83
Amortisation of intangible assets	487.44	5,433.94
TOTAL	3,011.19	8,633.76

30. Other expenses

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Subscriptions & Membership fee	1,196.53	1,256.82
Power and fuel	2,496.35	3,048.64
Repairs and maintenance	360.92	132.72
Insurance	203.29	288.51
Rates & taxes	3,264.74	1,522.24
Unwinding of Interest cost	158.09	-
Rent - Office Premises	17,213.66	18,809.68
Lease/Rent of Computer Equipment	4,526.07	6,576.99
Communication Expenses	4,817.09	11,064.53
Office Maintenance	9,665.30	10,131.80
Travelling & conveyance	6,231.75	7,020.30
Professional Fees	6,515.55	12,936.33
Payments to auditors (refer note 30 a)	1,221.77	1,402.50
Directors' sitting fee	380.00	320.00
Bad debts written off	728.68	567.76
Foreign exchange loss (net)	3,079.07	2,921.11
Net loss on disposal of property, plant and equipment	50.84	-
Provision for bad and doubtful debts	(302.65)	511.51
Impairment loss on Investments	-	1,500.00
Expenses recoverable written off	-	12,646.67
Miscellaneous expenses	922.62	530.28
TOTAL	62,729.68	93,188.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

30 a. Payment to Auditors

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
(a) To statutory auditors		
- Statutory audit fee	915.00	915.00
- For other services (including fees for quarterly review)	288.00	456.00
- Reimbursement of expenses	18.77	31.50
TOTAL	1,221.77	1,402.50

30 b. Corporate Social Responsibility expenditure

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Amount required to be spent as per Section 135 of the Act	1,045.72	805.73
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above	-	-

31. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before income tax expense	27,940.69	45,339.12
Tax at the Indian tax rate of 27.82% (2018: 27.5525%)	7,773.10	12,492.06
Effect of non-deductible expense	4,713.19	4,385.53
Effect of allowances for tax purpose	(2,718.27)	(1,741.93)
Effect of deferred tax	(1,385.44)	(4,299.75)
Income tax expense	8,382.58	10,835.92

32. Employee benefits**(i) Leave obligations**

The leave obligation covers the Company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The Company has defined contribution plans namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	31 March, 2019	31 March, 2018
Company's Contribution to Provident Fund	5,929.83	6,487.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

(iii) Post-employment obligations

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with HDFC Life Insurance. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Change in defined benefit obligations:		
Obligation at the beginning of the year	12,590.42	10,354.68
Current service costs	2,816.51	950.00
Interest costs	1,081.07	828.37
Remeasurement (gains)/losses	5,623.77	1,176.41
Benefits paid	(3,348.77)	(719.05)
Obligation at the end of the year	18,763.00	12,590.42
Change in plan assets:		
Fair value of plan assets at the beginning of the year	726.09	-
Interest income	56.17	-
Remeasurement gains/(losses)	(3.78)	31.34
Employer's contributions	3,348.77	694.75
Benefits paid	(3,348.77)	-
Fair value of plan assets at the end of the year	778.47	726.09
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	2,816.51	950.00
Net interest expenses	1,081.07	828.37
	3,897.59	1,778.38
Other comprehensive income:		
(Gain)/Loss on Plan assets	3.78	31.34
Actuarial (gain)/loss arising from changes in experience adjustments	5,623.77	1,145.07
	5,627.55	1,176.41
Expenses recognised in the statement of profit and loss	3,841.42	1,052.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Amounts recognised in the balance sheet consists of

Particulars	As at 31 March, 2019	As at 31 March, 2018
Fair value of plan assets at the end of the year	778.47	726.09
Present value of obligation at the end of the year	18,763.00	12,590.42
Recognised as		
Retirement benefit liability - Non-current	16,193.78	11,238.15
Retirement benefit liability - Current	1,790.75	626.18

Fair value of plan assets — 100% with HDFC Life New Group Unit Linked Plan

Expected contributions to post-employment benefit plans of gratuity for the year ending 31 March 2020 are Rs. 17984 thousands.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation			
			Increase in assumption by		Decrease in assumption by	
	31 March, 2019	31 March, 2018	Rate	31 March, 2019	Rate	31 March, 2018
Discount rate	8%	8%	1%	1,827.58	1%	(2,164.41)
Salary growth rate	7%	7%	1%	(1,987.58)	1%	1,779.35
Attrition rate	5%	5%	1%	(106.25)	1%	129.51

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

33. Financial instruments and risk management**Fair values**

- a) The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- b) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.
- c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March, 2019		31 March, 2018	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost					
Non-current					
Investments	3	2,44,527.29	2,44,527.29	2,18,320.16	2,18,320.16
Other financial assets	3	24,110.00	24,110.00	46,392.54	46,392.54
Current					
Trade receivables	3	66,832.21	66,832.21	82,294.05	82,294.05
Cash and Cash Equivalents	3	1,863.84	1,863.84	4,764.20	4,764.20
Other bank balances	3	48,043.90	48,043.90	3,648.50	3,648.50
Loans	3	18,227.61	18,227.61	15,936.01	15,936.01
Other financial assets	3	2,391.64	2,391.64	1,986.85	1,986.85
Total		4,05,996.50	4,05,996.50	3,73,342.30	3,73,342.30
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	13,176.56	13,176.56	3,325.10	3,325.10
Current					
Borrowings	3	22,615.96	22,615.96	19,709.53	19,709.53
Trade Payables	3	10,646.35	10,646.35	28,893.99	28,893.99
Other Financial Liabilities	3	52,667.94	52,667.94	41,580.69	41,580.69
Measured at fair value through profit and loss					
Foreign-exchange forward contracts not designated as hedges (grouped under other current financial liabilities)	2	-	-	199.07	199.07
Total		99,106.80	99,106.80	93,708.38	93,708.38

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

34. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2019 and 31 March, 2018.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollars against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	31 March, 2019	31 March, 2018
	USD	USD
Foreign currency assets		
Trade receivables	781.35	820.61
Other receivables	-	-
Exposure to foreign currency risk - assets	781.35	820.61
Foreign currency liabilities		
Foreign currency term loan	359.84	137.83
Exposure to foreign currency risk - liabilities	359.84	137.83
Derivative liabilities		
Foreign exchange forward contracts	-	420.00
Net exposure to foreign currency risk	421.51	262.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Change in USD				
1% increase	4.22	2.63	3.04	1.90
1% decrease	(4.22)	(2.63)	(3.04)	(1.90)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US Dollars where the functional currency of the entity is a currency other than US Dollars.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement. As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March, 2019	31 March, 2018
Variable rate borrowings	22,615.96	19,709.53
Fixed rate borrowings	27,313.11	13,514.90
Total	49,929.07	33,224.43

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Change in interest rate				
increase by 100 basis points	(226.16)	(163.24)	(163.24)	(162.79)
decrease by 100 basis points	226.16	163.24	163.24	162.79

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment

(B) Credit Risk

Financial assets of the Company include trade receivables, loans to wholly owned subsidiaries, employee advances, security deposits held with government authorities and others and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset

carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to its wholly owned subsidiary and employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) **Expected credit loss for trade receivable under simplified approach:**

Particulars	31 March, 2019	31 March, 2018
Gross carrying amount	67,055.57	82,820.06
Expected credit losses (Loss allowance provision)	(223.36)	(526.01)
Carrying amount of trade receivables	66,832.21	82,294.05

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans to wholly owned subsidiaries and employee advances.

Particulars	31 March, 2019	31 March, 2018
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Loans	17,607.37	14,023.72
Employee advances	620.24	1,912.29
	18,227.61	15,936.01
Expected credit losses	-	-
Net carrying amount		
Loans	17,607.37	14,023.72
Employee advances	620.24	1,912.29
Total	18,227.61	15,936.01

(ii) **Reconciliation of loss allowance provision**

Particulars	Trade receivables
Loss allowance as at 1 April, 2017	14.50
Changes in loss allowance during the period of 2017-18	511.51
Loss allowance as at 31 March, 2018	526.01
Changes in loss allowance during the period of 2018-19	(302.65)
Loss allowance as at 31 March, 2019	223.36

(iii) **Significant estimates and judgements**

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

- (i) **Financing arrangements:** The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March, 2019	31 March, 2018
Expiring within one year (bank overdraft and other facilities)	42,384.04	290.47

- (ii) **Maturities of Financial liabilities**

Contractual maturities of financial liabilities as at :

Particulars	31 March, 2019		31 March, 2018	
	Less than 12months	More than 12months	Less than 12months	More than 12months
Borrowings	36,752.51	13,176.56	29,902.83	3,325.10
Trade Payables	10,646.35	-	28,893.99	-
Other Financial Liabilities	38,531.39	-	31,586.46	-
Total	85,930.25	13,176.56	90,383.28	3,325.10

- (iii) Management expects finance cost to be incurred for the year ending 31 March 2020 is ₹ 2982 thousands.

35. Capital management**Capital management and Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March, 2019	31 March, 2018
Borrowings		
Current	22,615.96	19,709.53
Non current	13,176.56	3,325.10
Current maturities of long term debt	14,136.55	10,193.30
Debt	49,929.07	33,227.93
Equity		
Equity share capital	1,96,310.15	1,96,310.15
Other equity	1,36,867.84	1,21,146.63
Total capital	3,33,177.99	3,17,456.78
Gearing ratio in % (Debt/ capital)	14.99%	10.47%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

36. Contingent liabilities

The Company has the following contingent liabilities as at:

Particulars	31 March, 2019	31 March, 2018
Service tax	32,576.18	32,576.18
Income tax	80,673.01	80,673.01
Total	1,13,249.19	1,13,249.19

37. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - Nil(P.Y.-Nil)

38. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP): Mr. Aashish Kalra Mr. D.R.R Swaroop Mr. T.V.Siva Prasad (upto 8th August 2018) Mr. C S Leeladhar (w.e.f 9th August 2018) Mr. Ashish Bhattad (w.e.f 9th August 2018) Mr. Hanumant Bhansali (w.e.f 28th May 2018)	CEO & Whole Time Director Whole Time Director Chief Financial Officer & Company Secretary Chief Financial Officer Company Secretary Manager Corporate Finance & Head Investor Relations
ii) Non-whole-time Directors Mr. Venkat Motaparthi Mr. B. Muralidhar (upto 21st May 2018) Mrs. K. Jaya Lakshmi Kumari Mr. Stefan Hetges Mrs. Usha Srikanh (w.e.f. 7th August 2018)	Independent Director Independent Director Independent Director Non Executive Director Independent Director
iii) Subsidiary Companies	M/s Cambridge Technology Inc., USA M/s Cambridge Innovation Capital LLC, USA (Subsidiary of M/s Cambridge Technology Inc., USA) M/s Cambridge Technology Investments Pte Ltd., Singapore M/s Cambridge Bizserve Pvt. Ltd., India M/s Cambridge Innovations Pvt. Ltd., India M/s Cambridge Bizserve Inc., Phillipines (Subsidiary of M/s Cambridge Technology Inc., USA)

Details of transactions during the year where related party relationship existed:

Particulars	Key Managerial Personnel		Subsidiary Companies	
	2018-19	2017-18	2018-19	2017-18
Mr. D.R.R Swaroop	2,638.66	2,500.00	-	-
Mr. T.V.Siva Prasad (upto 8th August 2018)	884.27	2,500.00	-	-
Mr. C S Leeladhar (w.e.f 9th August 2018)	1,918.96	-	-	-
Mr. Ashish Bhattad (w.e.f 9th August 2018)	441.09	-	-	-
Mr. Hanumant Bhansali (w.e.f 28th May 2018)	3,389.27	-	-	-

Sitting fees				
Mr. Venkat Motaparthi	170.00	130.00	-	-
Mr. B. Muralidhar (upto 21st May 2018)	-	110.00	-	-
Mrs. K. Jayalakshmi Kumari	180.00	80.00	-	-
Mr. Stefan Hetges	10.00	-	-	-
Mrs. Usha Srikanth (w.e.f. 7th August 2018)	20.00	-	-	-
Sale of Software Services				
M/s Cambridge Technology Inc.,USA	-	-	2,90,287.53	3,22,716.27
Loans and advances				
M/s Cambridge Bizserve Pvt. Ltd., India	-	-	50.00	25.95
M/s Cambridge Innovations Pvt. Ltd., India	-	-	48.10	21.00
M/s Cambridge Technology Inc.,USA	-	-	2,685.54	1,650.33
Interest on loan				
M/s Cambridge Innovations Pvt. Ltd., India	-	-	800.00	800.00

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	31 March, 2019	31 March, 2018
M/s Cambridge Technology Inc.,USA	Trade receivable/(Advance received)	54,042.17	50,121.71
M/s Cambridge Technology Inc.,USA	Loan outstanding	5,810.10	3,124.55
M/s Cambridge Bizserve Pvt. Ltd., India	Loan outstanding	105.92	55.92
M/s Cambridge Innovations Pvt. Ltd., India	Loan outstanding	10,091.35	10,043.24
M/s Cambridge Innovations Pvt. Ltd., India	Interest receivable	1,600.00	800.00

39. Earnings per share (EPS)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit after tax (in thousands)	19,558.11	34,503.20
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos in thousands)	19631.02	19631.02
Face value per share	10.00	10.00
Basic and Diluted Earnings per Share (EPS)	1.00	1.76

40. Leases

The Company has taken office premises on operating lease at Hyderabad & Bangalore for a period of 5 years and in Mumbai for 1 year.

Particulars of lease payments are as follows:

Particulars	₹ in Thousands
Lease payments:	
Not later than one year	14,561.11
Later than one year but not later than five years	58,726.41
Later than five years	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

All amounts in ₹ thousands, unless otherwise stated

41. Information about revenue

Revenue from external customers - Sale of Services - Rs. 3,44,012.86 thousands

The Group has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue

Customer 1 - 2,90,287.53 thousands

Revenue from external customers - Sale of Products - Rs. 22,183.00 thousands

The Group has made external sales to the following customers meeting the criteria of 10% or more of the entity revenue

Customer 1 - 2,847.46 thousands

42. Share based payments (Ind AS 102)

The Company has granted options to its eligible employees in various ESOS Schemes, details are as under:

(A) Employee Stock Option Scheme:

Particulars	CTEL Employee Stock Option Scheme - 2008	CTEL ESOP Scheme 2011	ESOS - 2015
Vesting Plan	Year I - 40% Year II - 30% Year III - 30%	5 years	3 years
Exercise Period	Any time after the vesting period subject to continuance of employment and the other conditions mentioned in the scheme	5 years	5 years
Grant Date	21-Oct-08	10-Jul-15	09-Mar-16
Exercise Price (Rs. Per share)	25.9	38	80
Fair Value on the date of Grant of Option (Rs. Per share)	15.97	8.47	46.16
Method of Settlement	Equity	Equity	Equity

(B) Movement of Options Granted along with weighted average exercise price (WAEP):**CTEL Employee Stock Option Scheme - 2008**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	1000	25.9	1000	25.9
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Forfeited during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	1000	25.9	1000	25.9
Options exercisable at the end of the year	1000	25.9	1000	25.9

CTEL ESOP Scheme 2011

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	229600	38	237100	38
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	1000	38	Nil	Nil
Forfeited during the year	300	38	7500	38
Outstanding at the end of the year	228300	38	229600	38
Options exercisable at the end of the year	228300	38	Nil	Nil

- The weighted average share price on stock exchange at the date of exercise of options was Rs. 52.94 per share as at March 31, 2019.

2. The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4 years & 3 months (March 31, 2018: 5 years & 3 months).

ESOS - 2015

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	WAEP(Rs.)	No.	WAEP(Rs.)
Outstanding at the beginning of the year	107600	80	153500	80
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Forfeited during the year	13100	80	45900	80
Outstanding at the end of the year	94500	80	107600	80
Options exercisable at the end of the year	94500	80	Nil	Nil

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 5 years (March 31, 2018 : 6 years).

(C) Fair Valuation:

The fair value of option have been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

The key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

(a) For CTEL Employee Stock Option Scheme - 2008

1. Risk Free Rate	7.42% - 7.73%
2. Option Life	2.5 - 4.5 years
3. Expected Volatility*	63.77%
4. Expected Growth in Dividend	0.00%

(b) For CTEL ESOP Scheme 2011

1. Risk Free Rate	8%
2. Option Life	3 years
3. Expected Volatility*	9.48%
4. Expected Growth in Dividend	0.00%

(c) For ESOS 2015

1. Risk Free Rate	7.83%
2. Option Life	3 years
3. Expected Volatility*	43.05%
4. Expected Growth in Dividend	0.00%

*Expected volatility on the Company' stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the options up to the date of grant.

(D) Details of the liabilities arising from the Share based payments were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Carrying amount	6295.82	6070.74

43. Figures of the previous period have been regrouped/reclassified / rearranged wherever necessary.

As per our report of even date

For M. Anandam & Co.,
Chartered Accountants

Firm Registration Number : 000125S

For and on behalf of the Board

M.V. Ranganath
Partner
Membership No. 028031

Aashish Kalra
Chairman & CEO
DIN : 01878010

Jayalakshmi Kumari Kanukollu
Director
DIN : 03423518

D.R.R. Swaroop
Wholetime Director
DIN : 00453250

Ashish Bhattad
Company Secretary

C.S. Leeladhar
Chief Financial Officer

Place: Hyderabad
Date : 27th May, 2019

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Cambridge Technology Enterprises Limited will be held on **Monday, September 23, 2019, at 12.00 PM (noon) at Hotel Daspalla, Summit hall (Lobby Level), Road # 37, Jubilee Hills, Hyderabad – 500033, Telangana State, India** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the notes attached thereto and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Stefan Hetges, Director (DIN:03339784) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

By the order of the Board
For Cambridge Technology Enterprises Limited

Hyderabad
August 12, 2019

Sd/-
Ashish Bhattad
Company Secretary & Compliance Officer

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Proxy form is annexed herewith with this notice of AGM. Proxy form shall be in writing; and be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it. Proxies submitted on behalf of the companies, societies, body corporate, etc., must be supported by an appropriate resolution/authority, as applicable. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. In terms Articles of Association of the Company and pursuant to Companies Act, 2013, Mr. Stefan Hetges, Director (DIN: 03339784) of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Details/profile as stipulated under SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms part of the notice.
4. Members/Proxies should bring the enclosed Attendance Slip duly filled in and signed for attending the meeting along with the copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
6. Shareholders holding shares in physical form may write to the company/company's RTA for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
7. The Company has designated an exclusive email ID investors@ctep.com, which would enable the investors/shareholders to post their grievances, if any, by quoting their Registered Folio Number, Client ID, and Number of shares. However, it may be noted that the Company would not respond to any kind of malicious allegations made by the shareholders with ulterior motives. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Investor Relations Department so as to reach the Company at least 10 days in advance before the date of the Annual General Meeting, specifying the point(s).
8. A Route Map showing direction to reach the venue of 20th Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.
9. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Companies Act, 2013 ("the Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and other documents or registers, if required to be kept at AGM pursuant to applicable laws will be available for inspection by the members at the AGM.
10. The Certificate from the Auditors of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 stating compliance as per SEBI (Share Based Employee Benefits) Regulations, 2014/SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, from time to time and resolution of the company passed in the general meeting, on implementation of scheme, is received by the Company and will be available for inspection by the members at the AGM.
11. Pursuant to applicable provisions of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual Report, Notice of 20th Annual General Meeting and other documents, etc., of the Company for the financial year ended March 31, 2019 are being sent in electronic medium to the shareholders through email, wherever the email addresses are registered with the Company / Depository Participant(s) for communication purposes; and through other permitted modes of services where email addresses have not been registered. **Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Aarathi Consultants Private Limited.** However, in case, a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to investors@ctep.com. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Aarathi Consultants Pvt. Ltd., RTA of the Company for doing the needful.
12. Members may note that the Annual Report for the financial year 2018-19, Notice of the 20th Annual General Meeting and relevant documents are also available on the Company's website i.e., www.ctep.com. The physical copies of the aforesaid documents shall be open for inspection by the members at the Registered office of the Company during the normal business hours (10.00 A.M to 6.00 P.M) on working days (excluding Saturdays) and shall also be available at the meeting. For any communication, the shareholders may send requests to the Company's investor e-mail Id – investors@ctep.com.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agents or the Company.
16. As per amendment to the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Press Release no. 12/2019 issued by SEBI dated March 27, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. After April 01, 2019, no request for transfer of shares in physical form can be processed by the Company/RTA.
17. In respect to shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company at the address mentioned below and correspond with them directly regarding share transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

Aarathi Consultants Private Ltd.,
1-2-285, Domalguda, Hyderabad - 500 029
Telangana State, India
Tel: +91-40-27638111, 27634445
Fax: +91-40-27632184
E-mail: info@aarthiconsultants.com

18. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 17, 2019 to Monday, September 23, 2019 (both days inclusive) for the purpose of Annual General Meeting of the Company.

Voting through electronic means:

1. In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force); Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is providing facility for voting by electronic means (remote e-voting) and the business may be transacted through such voting.
2. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate remote e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice. The notice of the 20th AGM is also available on the e-voting website of CDSL i.e., <https://www.evotingindia.com>.
3. The remote e-voting period commences on **September 19, 2019 at 9.00 A.M** and ends on **September 22, 2019 at 5:00 P.M.** During this period, Members holding shares either in physical form or dematerialized form, as on **September 16, 2019, i.e. cut-off date**, may cast their vote electronically by remote e-voting. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
4. The facility for voting through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e – voting shall be able to exercise their right at the meeting.
5. Members who have cast their vote by remote e-voting prior to the said Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. Mrs. B. Krishnaveni, Practicing Company Secretary [C P No. 4286] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
7. Members can opt for only one mode of voting i.e. either by remote e-voting or poll/ballot paper. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through poll/ballot paper shall be treated as invalid.
8. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e., **September 16, 2019**, only shall be entitled to avail facility of remote e-voting as well as voting in the annual general meeting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

9. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e., **September 16, 2019**, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting, then you can use your existing User ID and password for casting your vote.
10. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion (subject to applicable laws) of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
11. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ctepl.com and on the website of CDSL <https://www.evotingindia.com> immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India, where the equity shares of the Company are listed.
12. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the relevant AGM, subject to the receipt of the requisite number of votes required to pass the respective resolutions.

The instructions for members for remote e-voting electronically are as under:

- (i) The voting period begins on **September 19, 2019 at 9.00 A.M and ends on September 22, 2019 at 5:00 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 of **September 16, 2019** may cast their vote electronically. The 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- <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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both 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 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 e-voting on the resolutions

contained in this Notice.

- (xi) Click on the EVSN for the relevant Company name <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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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 linked in the login 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 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

Contact details for queries relating to e-voting:

Name: Mr. Rakesh Dalvi
Designation: Manager
Address: A Wing, 25th Floor, Marathon Futurex,
Mafatlal Mill Compounds,
N M Joshi Marg,
Lower Parel (E),
Mumbai – 400013.
Email id: helpdesk.evoting@cdslindia.com
Phone number: 1800225533

By the order of the Board
For Cambridge Technology Enterprises Limited

Hyderabad
August 12, 2019

Sd/-
Ashish Bhattad
Company Secretary & Compliance Officer

Form No. MGT-11**FORM OF PROXY**

[Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200TG1999PLC030997
 Name of the Company : Cambridge Technology Enterprises Limited;
 Registered Office : Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec-City, Madhapur, Hyderabad (TS)-81, India.

Name of the member(s) :	
Registered address :	
E-mail :	
Folio no. / Client ID* :	
DP ID* :	

*Applicable for investors holding shares in Electronic form

I / We, being the member(s) of shares of the above named company, hereby appoint:

1. Name :
 Address :
 E-Mail Id :
 Signature : _____ or failing him / her
2. Name :
 Address :
 E-Mail Id :
 Signature : _____ or failing him / her
3. Name :
 Address :
 E-Mail Id :
 Signature : _____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Monday, the 23rd day of September, 2019, At 12.00 p.m. (noon) at Hotel Daspalla, Summit hall (Lobby Level), Road # 37, Jubilee Hills, Hyderabad – 500033, Telangana State, India and at any adjournment thereof in respect of resolutions such as are indicated below:

Resolution No.

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the notes attached thereto and the reports of the Board of Directors and auditors thereon.
2. To appoint a Director in place of Mr. Stefan Hetges, Director (DIN:03339784) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Signed this day of 2019.

 Signature of shareholder

 Signature of the Proxy holder(s)

Affix revenue
 stamp of
 Rupee One

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

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

Tel: +91-40-4023 4400, Fax: +91-40-4023 4600

CIN: L72200TG1999PLC030997

Email: investors@ctepl.com

Website: www.ctepl.com

ATTENDANCE SLIP

Name of the Company : Cambridge Technology Enterprises Limited
Registered Office : Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec-City,
Madhapur, Hyderabad-81.
Venue of the Meeting : Hotel Daspalla, Summit Hall (Lobby Level), road # 37, Jubilee Hills,
Hyderabad-500 033, Telangana Stae, India.
Date and Time : Monday, 23rd September, 2019 at 12.00 p.m. (noon)

Name of the member(s) / Proxy	
Registered address	
E-mail	
Folio no. / Client ID*	
DP ID*	
No. of shares held	

*Applicable for investors holding shares in Electronic form

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

I hereby record my presence at the 20th Annual General Meeting of the Company at Hotel Daspalla, Summit hall (Lobby Level), Road # 37, Jubilee Hills, Hyderabad – 500033, Telangana State, India on September 23, 2019.

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

BOARD OF DIRECTORS

- | | |
|---|--|
| 1. Mr. Aashish Kalra | Chairman & CEO |
| 2. Mr. Dharani Raghurama Swaroop | Whole – Time Director |
| 3. Mr. Motaparthi Kasi Venkateswara Rao | Independent Director |
| 4. Mrs. K. Jayalakshmi Kumari | Independent Director |
| 5. Mr. Stefan Hetges | Non-Executive Director |
| 6. Ms. Usha Srikanth | Independent Director (w.e.f August 07, 2018) |

CFO & COMPANY SECRETARY

Chirravuri Subrahmanya Leeladhar - CFO

Ashish Bhattad – Company secretary & Compliance Officer

BANKERS

Kotak Mahindra Bank Limited, Citi Bank N.A., IDBI Bank Limited & Axis Bank Limited

STATUTORY AUDITORS:

M. Anandam & Co.,

Chartered Accountants

7 'A' Surya Towers, Sardar Patel Road,

Secunderabad - 500 003

Telangana State, India

REGISTERED & CORPORATE OFFICE:

Cambridge Technology Enterprises Limited

Unit No. 04-03, Level 4, Block I, Cyber Pearl, Hitec City, Madhapur,

Hyderabad – 500081

Telangana State, India.

Tel: +91-40-40234400

Fax: +91-40-40234600

URL :www.ctepl.com,

E-mail ID : investors@ctepl.com

CIN: L72200TG1999PLC030997

REGISTRAR AND SHARE TRANSFER AGENTS:

Aarathi Consultants Private Ltd.,

1-2-285, Domalguda, Hyderabad - 500 029

Telangana State, India

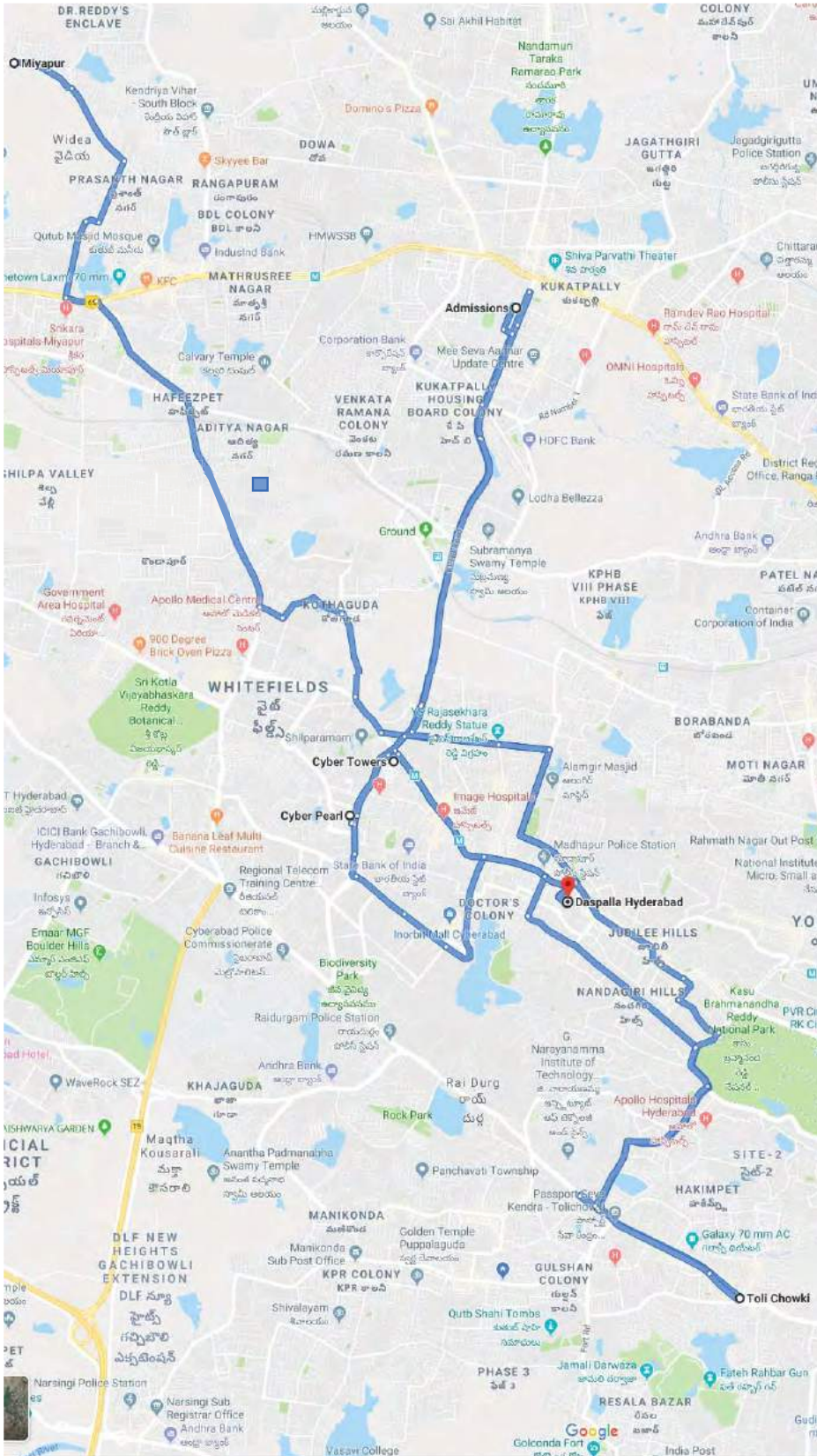
Tel: +91-40-27638111,

Fax: +91-40-27632184

info@aarathiconsultants.com

CIN: U74140TG1992PTC014044

AGM VENUE ROUTE MAP



AGM Venue
Hotel Daspalla
Road # 37, Jubilee Hills,
Hyderabad – 500033



CAMBRIDGE
TECHNOLOGY

Cambridge Technology Enterprises Limited
CIN: L72200TG1999PLC030997
Regd. Office: Unit No. 04-03, Level 4, Block 1,
Cyber Pearl, Hitech City, Madhapur
Hyderabad (TS) – 500 081, India.

 investors@ctepi.com

 www.ctepi.com

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 +91 40 4023 4600