

The Board of Directors  
Cambridge Solutions Limited  
SJR I-Park Plot 13, 14, 15  
EPIP Industrial Area, Phase I, Whitefield  
Bangalore- 560 066

1. We have reviewed the accompanying "Unaudited financial results for the quarter and half year ended June 30, 2011" in which are included the results for the quarter ended June 30, 2011 and the statement of assets and liabilities as on that date (the "Statement") of Cambridge Solutions Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. We draw your attention to Note 5 of the Statement, regarding period end investments of Rs.676,789,412 and receivables (net of payables) of Rs.251,213,013 due from Scandent Group, Inc., USA, a wholly owned subsidiary of the Company, whose net worth has been completely eroded. Based on an evaluation in the earlier years, the Company is carrying a provision of Rs.25,045,000 against the receivables. However, no further provisions have been made in these financial results for reasons stated therein, which, however, are susceptible to inherent uncertainties around the performance of the subsidiary in the environment in which it operates. If the subsidiary does not achieve its projected financial results, the carrying value of investments, and receivables at the period-end could be significantly impacted. Our conclusion is not qualified in this respect.
6. We draw your attention to Note 6 of the Statement, regarding redemption of certain debentures, aggregating to Rs.62,500,000, by the Company in the year 2007; subsequent order of the Hon'ble High Court of adjudicature at Madras restraining the Company from reflecting the redemption of debentures and to continue to show it as due and payable consequent to a petition filed by a third party; and non-reversal of the aforesaid redemption of debentures in the books of account of the Company pending admission and disposal of the appeal filed by the Company with the Hon'ble High Court of adjudicature at Madras on July 26, 2011. Depending on the outcome of the Company's appeal, significant adjustments may required to be made and reflected in the subsequent period financial reporting. Our conclusion is not qualified in this respect.

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7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse & Co.  
Firm Registration Number: 007567S  
Chartered Accountants



Shivakumar Hegde  
Partner  
Membership Number: 204627

Bangalore  
July 29, 2011

The Board of Directors  
Cambridge Solutions Limited  
SJR I-Park Plot 13, 14, 15  
EPIP Industrial Area, Phase I, Whitefield  
Bangalore- 560 066

1. We have reviewed the accompanying "Unaudited consolidated financial results for the quarter and half year ended June 30, 2011" in which are included the consolidated results for the quarter ended June 30, 2011 and the consolidated statement of assets and liabilities as on that date (the "Statement") of Cambridge Solutions Limited and its subsidiaries, hereinafter referred to as the "Group", except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in Cambridge Solutions Limited which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Group's Management pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Group's Management and has been approved by the Board of Directors/ Committee of Board of Directors of Cambridge Solutions Limited. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of group's personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in Cambridge Solutions Limited in the Statement from the disclosures made by the Group's Management and are, therefore, not expressing a review opinion thereon.
5. We did not review the financial results/ statements of nine subsidiaries considered in the preparation of the Statement and which constitute total assets of Rs.401,072,624 and net assets of Rs.145,386,526 as at June 30, 2011, total revenue of Rs.225,500,886 and Rs.487,049,160 and net profit of Rs.20,800,087 and Rs.51,989,565 for the quarter and period then ended. These financial results/ statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion on the Statement to the extent they have been derived from such financial results/ statements is based solely on the report of such other auditors.
6. We draw your attention to Note 6 on the Statement, regarding redemption of certain debentures, aggregating to Rs.62,500,000, by the Company in the year 2007; subsequent order of the Hon'ble High Court of adjudicature at Madras restraining the Company from reflecting the redemption of debentures and to continue to show it as due and payable consequent to a petition filed by a third party; and non-reversal of the aforesaid redemption of debentures in the books of account of the Company pending admission and disposal of the appeal filed by the Company with the Hon'ble High Court of adjudicature at Madras on July 26, 2011. Depending on the outcome of the Company's appeal, significant adjustments may required to be made and reflected in the subsequent period financial reporting. Our conclusion is not qualified in this respect.

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7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse & Co.  
Firm Registration Number: 007567S  
Chartered Accountants



Shivakumar Hegde  
Partner  
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Bangalore  
July 29, 2011