

CAMBRIDGE SOLUTIONS LIMITED

Regd. Office: SJR i-park No. 13, 14, 15, EPIP Industrial Area Phase 1,
Whitefield, Bangalore, Karnataka - 560 066.

Notice pursuant to Section 192A (2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Dear Member,

Pursuant to the provisions of Section 293(1) (a) of the Companies Act, 1956 any proposal to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking shall be approved by the shareholders.

Further, pursuant to Section 192A of the Companies Act, 1956, read with Rule 4(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 the approval of the shareholders has to be obtained by passing shareholders' resolution through Postal Ballot.

NOTICE is hereby given to the members of Cambridge Solutions Limited ("Company") pursuant to Section 293(1)(a) and 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the enclosed resolution for the purpose of sale and transfer of the Business Process Outsourcing Division of the Company including its investments in Cambridge Builders Private Limited (a wholly owned subsidiary of the Company) ("BPO Division") to Xchanging Technology Services India Private Limited, as a going concern on a slump sale basis be passed as an Ordinary Resolution by way of voting through Postal Ballot.

The Company seeks the shareholders' consent for the proposals contained in the resolutions appended below. The Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed. The said Ordinary Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form (the "Form") along with this Notice, for your consideration. The Company has appointed Mr. Sudhir Hulyalkar, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on July 18, 2011 at the Registered Office of the Company. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Vice Chairman / Executive Director of the Company and the results thereof will be announced either by the Vice Chairman or the Executive Director or in their absence by the Chief Financial Officer of the Company on July 19, 2011 at 5.00 pm at the Registered Office of the Company. The results of the Postal Ballot will also be taken up for noting at the next General Meeting of the Company as and when held.

The Members are requested to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution with or without modifications:

Resolution:

RESOLVED THAT pursuant to the provisions of Section 293(1)(a) read with Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and other applicable provisions, if any, and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, and the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and subject to the approvals, consents, permissions and sanctions as may be necessary from concerned statutory authorities and the lenders to the Company and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee thereof) to sell and transfer the 'Business Process Outsourcing Division' of the Company along with its assets including investments in Cambridge Builders Private Limited (a wholly owned subsidiary of the Company), liabilities and such employees of the Company engaged in the said division including all licenses, permits, consents and approvals whatsoever relating to the said division ("BPO Division"), as a going concern on a slump sale basis, to Xchanging Technology Services India Private Limited, ("XTSI"), an indirect wholly owned subsidiary of Xchanging Plc, for the agreed valuation of INR 2,998 million to be suitably adjusted for working capital changes at the date of actual transfer and the net proceeds of approximately INR 2,460 million, after settling fund based credit facilities directly by XTSL, subject to the fulfillment of the terms and conditions contained in the Business Transfer Agreement and such other terms and conditions as the Board of Directors of the Company may deem fit and appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including negotiating and finalizing the transfer of the BPO Division as per the terms of the Business Transfer Agreement, determining the exact effective date, determining the final valuation after adjustment of working capital changes and finalizing and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution."

By Order of the Board of Directors

Date : June 13, 2011
Place : Bangalore

Vijayamahantesh V. Khannur
Company Secretary

Note:

1. Only a Shareholder who is entitled to vote is entitled to exercise his / her vote through Postal Ballot and a shareholder having no voting rights should treat this Notice as intimation only.
2. The above transaction requires the consent of the shareholders through postal ballot.

Explanatory Statement for Resolutions mentioned above pursuant to Section 173(2) of the Companies Act, 1956.

The Company is engaged in the business of Information Technology Outsourcing (ITO) and Business Process Outsourcing (BPO) services across a broad range of industries. In 2009, Xchanging Plc., UK, the ultimate holding company, acting through one of its subsidiaries, Xchanging (Mauritius) Limited, Mauritius acquired 76.06% of the equity shares of the Company. In the same year Xchanging UK Limited, UK, a wholly owned subsidiary of Xchanging Plc, granted a loan of USD 55 million to Cambridge Integrated Services Group Inc, USA ("CISGI"), a wholly owned subsidiary of the Company, part of which was used by CISGI to repay the loan outstanding with DBS Bank Ltd., Singapore availed earlier in December 2007 by CISGI. The balance loan was utilized to meet funding requirements of CISGI from time to time. The Company provided a corporate guarantee to Xchanging UK Limited for this loan granted to CISGI. In 2010, Xchanging UK Limited increased the loan to CISGI up to USD 66 million and accordingly the corporate guarantee provided by the Company also stood increased to USD 66 million. In view of the unsatisfactory returns and significant future commitments of the CISGI business the Board of Directors of CISGI decided to sell its USA workers compensation and third party administration operations to Sedgwick Claims Management Services, Inc. which was approved by the Board of Directors of the Company and in turn disclosed to the stock exchanges on May 31, 2011. Xchanging UK Limited has called the loan from CISGI and in view of CISGI's current inability to repay the loan without support Xchanging UK Limited has invoked the corporate guarantee provided by the Company for USD 65.6 million, being outstanding amount.

In order to honour the financial commitment arising out of corporate guarantee, various alternatives such as raising capital through public markets, debt sources or through sale of business were explored by the Board of the Company in consultation with ENAM Securities Pvt Ltd, merchant bankers. The Board of Directors at its meeting held on June 13, 2011, approved the sale and transfer of the Business Process Outsourcing Division of the Company along with its assets including investments in Cambridge Builders Private Limited (a wholly owned subsidiary of the Company), liabilities and employees ("BPO Division") as a "going concern" on a slump sale basis, to Xchanging Technology Services India Private Limited ("XTSI"), an indirect wholly owned subsidiary of Xchanging Plc. The Board of Directors is of the view that the sale of the BPO Division of the Company to XTSI on the terms proposed would best protect the interests of all the shareholders in the Company. The arrangement with XTSI was considered as fair and acceptable by the Board.

M/s. KPMG India Private Limited and M/s. Grant Thornton India have each done independent valuations of the BPO Division. The Board of Directors considered the valuations and decided that the agreed valuation for the sale of BPO Division should not be less than INR 2,929 million which is higher of the two independent valuations. Your Board feels that the consideration for the BPO Division based on the independent valuations was based on reasonable assumptions and methodologies. The offer for purchase of the BPO Division for Rs. 2,998 million received from XTSI, being more than the higher of the two independent valuations is fair and in line with the market conditions. This valuation is subject to adjustment on account of working capital changes occurring between the valuation date and the date of actual transfer. The 'working capital change' will be mainly due to change in current assets and current liabilities position between the two dates. Such change is not expected to be more than 2 to 3% of the agreed valuation, which is not very significant. XTSI will also settle certain fund based credit facilities of the Company directly. The net payment to the Company, after settlement of debt would be approximately INR 2,460 million. The sale and transfer of BPO Division to XTSI will be done as a going concern by way of a slump sale, subject to the approval of the shareholders. The proposed sale and transfer of the BPO Division will be in conformity with all the applicable laws and regulations. Given that the proceeds of the sale of the BPO Division after adjusting outstanding fund based credit facilities would not be sufficient to meet the financial obligation under the corporate guarantee, the Board has also approved sale of investments in the form of shares the Company holds in Cambridge Integrated Services Victoria Pty Limited, Australia ("CISV") a wholly owned subsidiary of the Company to a subsidiary of Xchanging Plc., for consideration of USD 16.7 million (approximately INR 742.5 million) which is fair and is based on independent valuations.

The above proposal for sale and transfer of BPO Division is subject to the approval of Members and other concerned authority (ies).

The Business Transfer Agreement and the BPO India valuations reports referred to in the above notice are open for inspection at the Registered Office of the Company between 11.00 AM to 1.00 PM on all working days (except Saturdays, Sundays and Public holidays) up to July 18, 2011.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interests of the Company and hence recommends the Resolution for your approval. None of the Directors are interested in the resolution.

By Order of the Board of Directors

Date : June 13, 2011
Place : Bangalore

Vijayamahantesh V. Khannur
Company Secretary

CAMBRIDGE SOLUTIONS LIMITED

Regd. Office: SJR i-park No. 13, 14, 15, EPIP Industrial Area Phase 1,
Whitefield, Bangalore, Karnataka - 560 066.

Postal Ballot Form

(Please read the instructions printed overleaf carefully before completing this form)

Serial Number:

1. Name(s) of Shareholder(s) :
(in block letters)
(including joint holders, if any)
2. Registered address of the sole/
first named shareholder :
3. Registered folio No./DP ID No./
Client ID No.*(* Applicable to
investors holding shares in
dematerialized form) :
4. Number of shares held :
5. I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through postal ballot for the business stated in the notice of the Company dated June 13, 2011 by sending my/our assent or dissent to the said resolution by placing the tick (/) mark at the appropriate box below.

Description	Number of Shares	I / We Assent to the Resolution	I / We Dissent to the Resolution
Ordinary Resolution pursuant to Section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors to sell, transfer and/dispose of the BPO Division, by way of a slump sale, to Xchanging Technology Services India Private Limited			

Place:

Date:

(Signature of the shareholder)

Instructions

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company, if posted in India. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the address of the registered office of the Company and is to the attention of the Scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. Unsigned postal ballot forms will be rejected. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder. The exercise of vote by postal ballot is not permitted through proxy.
4. The votes should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the column will render the form invalid. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
5. Votes will be considered invalid on the following grounds:
 - a. If the member's signature does not tally;
 - b. If the member has marked all his shares both in favour and also against the resolution;
 - c. If the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked on one or more of the above grounds.
 - d. If voting is done through any other form or photocopy of the postal ballot form.
 - e. If the Postal Ballot Form is unsigned.
6. Where the Postal Ballot Form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a state, a certified copy of the nomination should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
7. A shareholder need not use all his votes nor cast all his votes in the same way.
8. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours i.e. 6.00 p.m. on July 18, 2011 at the Registered Office of the Company. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
9. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item 8 above.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Shareholder as on June 10, 2011 ("**the Cut Off Date**").
11. Shareholders are requested not to send any other paper, other than those mentioned above, along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.