

**ANNUAL REPORT OF
CAMBRIC HOLDINGS INC**

CAMBRIC HOLDINGS INC

<i>Directors of the Company</i>	<i>1</i>
<i>Directors Report</i>	<i>2-3</i>
<i>Financial Statements</i>	<i>4-5</i>
<i>Cash Flow Statement</i>	<i>6</i>
<i>Notes forming part of Financial Statements</i>	<i>7-14</i>

CAMBRIC HOLDINGS INC.

DIRECTORS:

1. Mr. Patrick McGoldrick
2. Mr. Warren Harris
3. Mr. Praveen Kadle
4. Mr. Timothy P. Hayes

REGISTERED: OFFICE

555 E Broadway, Suite 300
Salt Lake City, UT 84102
USA

TO THE MEMBERS OF Cambric Holdings Inc.

The Directors hereby present the Third Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2015.

1. FINANCIAL RESULTS

The Financial Results of the Company for the period ended December 31, 2014 are as follows:

	(In US \$)	(In ₹)
Income *	802,562	50,596,528
Loss for the period *	1,003,812	38,528,879

2. OPERATIONS

Cambric Holdings Inc. is the US-based parent company of Cambric Corporation. It was formed in 2012. Cambric Holdings employs corporate and finance staff that service the other Cambric entities. It also holds the credit facilities for the group. During the period the company registered a turnover of US \$ 802,562 (₹50,596,528) and a loss of US \$ 1,003,812 (₹38,528,879)

***Effective from January 1, 2015 Cambric Holdings, has been merged with Tata Technologies Inc. and hence the financial statements have been presented till December 31, 2014.**

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2015, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2015 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in selection of the accounting policies, 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 loss of the Company for that year;
3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. they have prepared the annual accounts on a "going concern basis".
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Mr. Warren Harris	Director
Mr. Praveen Kadle	Director
Mr. Timothy P. Hayes	Director
Mr. Patrick McGoldrick	Director

Place:

Date:

Cambric Holdings Inc.
Balance Sheet as at December 31, 2015

Particulars	Note No.	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		December 31, 2014	December 31, 2014	March 31, 2014	March 31, 2014
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	10,816,741	681,927,927	10,816,741	647,814,630
(b) Reserves and Surplus	2	(117,456)	(7,404,846)	886,356	53,083,887
		10,699,286	674,523,082	11,703,097	700,898,517
(2) Non-current Liabilities					
(a) Long-term Borrowings	3	20,000,000	1,260,875,000	20,000,000	1,197,800,000
		20,000,000	1,260,875,000	20,000,000	1,197,800,000
(3) Current Liabilities					
(a) Short-term Borrowings	4	-	-	1,250,000	74,862,500
(b) Trade Payables		2,441,828	153,941,991	753,675	45,137,595
(c) Short-term Provisions	5	102	6,404	54,387	3,257,261
		2,441,930	153,948,395	2,058,062	123,257,356
		33,141,215	2,089,346,477	33,761,159	2,021,955,873
II. ASSETS					
(1) Non-current Assets					
(a) Goodwill on Acquisition		31,906,748	2,011,521,069	31,906,748	1,910,895,161
(b) Non-current Investments	6	100	6,304	100	5,989
(c) Deferred tax Assets (net)		996,050	62,794,727	1,388,715	83,170,141
		32,902,898	2,074,322,100	33,295,563	1,994,071,291
(2) Current Assets					
(a) Trade Receivables	7	96,816	6,103,644	13,895	832,157
(b) Cash and Bank Balances	8	28,087	1,770,689	353,335	21,161,203
(c) Other Current Assets	9	-	-	98,366	5,891,222
(d) Current Income Tax Assets		113,414	7,150,044	-	-
		238,317	15,024,377	465,596	27,884,582
		33,141,215	2,089,346,477	33,761,159	2,021,955,873
		-	-	-	-
Significant Accounting Policies	15				

For and on behalf of the Board of Directors

Praveen Kadle	Director
Patrick McGoldrick	Director
Warren Harris	Director
Timothy P. Hayes	Director

Place:

Date:

Cambric Holdings Inc.
Statement of Profit and Loss for the period ended December 31, 2014

Particulars	Note No.	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		Period ended December 31, 2014	Period ended December 31, 2014	Year ended March 31, 2014	Year ended March 31, 2014
I. Revenue from Operations	10	802,562	50,596,528	1,037,835	62,155,953
II. Total Revenue (I)		802,562	50,596,528	1,037,835	62,155,953
III. Expenses :					
(a) Consultancy fees, Softwares and others	11	1,005	63,344	57,759	3,459,174
(b) Employee Benefit Expense	12	900,847	56,792,772	967,466	57,941,553
(c) Finance Cost	13	331,069	20,871,838	386,150	23,126,501
(d) Other Expenses	14	106,411	6,708,573	128,821	7,715,100
Total Expenses		1,339,332	84,436,528	1,540,196	92,242,328
IV. Profit / (Loss) Before Tax (II-III)		(536,770)	(33,840,000)	(502,361)	(30,086,375)
V. Tax Expense :					
(a) Deferred Tax		392,667	-	(1,388,717)	(83,170,262)
(b) Current tax		74,375	4,688,878	-	-
VI. Profit / (Loss) from continuing operations (IV- V)		(1,003,812)	(38,528,879)	886,356	53,083,887

Significant Accounting Policies

15

For and on behalf of the Board of Directors

Praveen Kadle	Director
Pat McGoldrick	Director
Warren Harris	Director
Timothy P. Hayes	Director

Place:

Date:

Cambric Holdings Inc.
Cash Flow Statement for the period ended Dec 31, 2014

	<u>(Amount in USD)</u>	<u>(Amount in ₹)</u>
	<u>December 31, 2014</u>	<u>December 31, 2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Taxation and Extraordinary Items	(1,003,812)	(63,284,079)
Provision for Income Tax	74,375	4,688,879
Provision for Deferred Tax	392,667	24,755,200
Finance Costs	331,069	20,871,838
Operating profit before Working Capital Changes	<u>(205,701)</u>	<u>(12,968,162)</u>
Adjustments for :		
Trade Receivables	(82,921)	(5,227,666)
Prepaid Expenses	1,550	97,719
Trade Payables	1,688,153	106,427,494
Advance & Progress Payments	96,816	6,103,644
Short Term Provision	(54,287)	(3,422,444)
Advance Tax / Tax Deducted at Source	(187,789)	(11,838,923)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>1,255,821</u>	<u>79,171,663</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(331,069)	(20,871,838)
Proceeds /Repayment from Short Term borrowings	(1,250,000)	(78,804,668)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	<u>(1,581,069)</u>	<u>(99,676,506)</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(325,248)</u>	<u>(20,504,843)</u>
Cash & Cash equivalent at the close of the period as per Note 8	28,087	1,770,689
Cash & Cash equivalents at the beginning of the year as per Note 8	353,335	22,275,532
	<u>(325,248)</u>	<u>(20,504,843)</u>

For and on behalf of the Board of Directors

Praveen Kadle	Director
Patrick McGoldrick	Director
Warren Harris	Director
Timothy P. Hayes	Director

Place:

Date:

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 1

SHARE CAPITAL

Issued, subscribed and fully paid :

4000 Ordinary shares of no par value

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December 31, 2014	December 31, 2014	March 31, 2014	March 31, 2014
	10,816,741	681,927,927	10,816,741	647,814,630
	10,816,741	681,927,927	10,816,741	647,814,630

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS

Particulars	As at March 31, 2014	Additions	Deductions	Transfer to Tata Technologies Inc. on account of Merger	(Amount in USD)
					As at Dec 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss [Note (i) below]	886,356	(1,003,812)	-	-	(117,456)
	<u>886,356.43</u>	<u>(1,003,812)</u>	<u>-</u>	<u>-</u>	<u>(117,456)</u>

Notes:-

	(Amount in USD)		(Amount in USD)	
	2014-2015		2013-2014	
	Additions	Deductions	Additions	Deductions
(i) Changes in Statement of Profit and Loss :				
(a) Profit/(loss) for the period/year	(1,003,812)	-	886,356	-
	<u>(1,003,812)</u>	<u>-</u>	<u>886,356</u>	<u>-</u>

Note - 2

RESERVES AND SURPLUS

Particulars	As at March 31, 2014	Additions	Deductions	Transfer to Tata Technologies Inc. on account of Merger	(Amount in USD)
					As at Dec 31, 2014
(a) Surplus i.e. balance in statement of Profit and Loss [Note (i) below]	55,879,233	(63,284,079)	-	-	(7,404,846)
	<u>55,879,233</u>	<u>(63,284,079)</u>	<u>-</u>	<u>-</u>	<u>(7,404,846)</u>

Notes:-

	(Amount in USD)		(Amount in USD)	
	2014-2015		2013-2014	
	Additions	Deductions	Additions	Deductions
(i) Changes in Statement of Profit and Loss :				
(a) Profit/(loss) for the period/year	(38,528,879)	-	53,083,887	-
	<u>(38,528,879)</u>	<u>-</u>	<u>53,083,887</u>	<u>-</u>

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 3

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December 31, 2014	December 31, 2014	March 31, 2014	March 31, 2014
LONG TERM BORROWINGS				
(A) Unsecured				
(i) Term Loans				
- Bank of America	20,000,000	1,260,875,000	20,000,000	1,197,800,000
<i>[Terms of repayment - 50% on April 30, 2015 and 50% on April 30, 2016]</i>				
	20,000,000	1,260,875,000	20,000,000	1,197,800,000

Note - 4

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December 31, 2014	December 31, 2014	March 31, 2014	March 31, 2014
SHORT TERM BORROWINGS				
(A) Unsecured				
(a) Loans repayable on demand	-	-	1,250,000	74,862,500
	-	-	1,250,000	74,862,500

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 5

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December 31, 2014	December 31, 2014	March 31, 2014	March 31, 2014
SHORT-TERM PROVISIONS				
(a) Provision for Employee benefits	102	6,404	54,387	3,257,261
	102	6,404	54,387	3,257,261

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 6

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December31, 2014	December31, 2014	March 31, 2014	March 31, 2014
NON-CURRENT INVESTMENTS				
TRADE (UNQUOTED) - at cost				
1 Subsidiaries (Details below)	100	6,304	100	6,304
- Midwest Managed Services (MMS)	100	6,304	100	6,304
	100	6,304	100	6,304

Note - 7

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	December31, 2014	December31, 2014	March 31, 2014	March 31, 2014
TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
Less : Allowances for doubtful debts	-	-	-	-
(b) Other Trade Receivables				
Considered good	96,816	6,103,644	13,895	832,157
Considered doubtful	-	-	-	-
Less : Allowances for doubtful debts	-	-	-	-
	96,816	6,103,644	13,895	832,157
	96,816	6,103,644	13,895	832,157

Note - 8

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
CASH AND BANK BALANCES				
(a) Current Account with banks	28,087	1,770,689	353,335	21,161,203
	28,087	1,770,689	353,335	21,161,203

Note - 9

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
OTHER CURRENT ASSETS				
(a) Advances to suppliers and contractors	-	-	96,816	5,798,310
(b) Prepaid expenses	-	-	1,550	92,912
	-	-	98,366	5,891,222

Cambric Holdings Inc.
Notes forming part of financial statements

Note - 10

	(Amount in USD) Period ended December 31, 2014	(Amount in ₹) Period ended December 31, 2014	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
REVENUE FROM OPERATIONS				
(a) Sale of Services	802,562	50,596,528	1,037,835	62,155,953
	802,562	50,596,528	1,037,835	62,155,953

Note - 11

	(Amount in USD) Period ended December 31, 2014	(Amount in ₹) Period ended December 31, 2014	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	1,088	68,499	54,541	3,266,422
(b) Professional Fees	(82)	(5,154)	3,218	192,752
	1,005	63,344	57,759	3,459,174

Note -12

	(Amount in USD) Period ended December 31, 2014	(Amount in ₹) Period ended December 31, 2014	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	899,310	56,695,885	966,224	57,867,167
(b) Staff welfare Expenses	1,537	96,888	1,242	74,386
	900,847	56,792,772	967,466	57,941,553

Note - 13

	(Amount in USD) Period ended December 31, 2014	(Amount in ₹) Period ended December 31, 2014	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
FINANCE COSTS				
(a) Interest Expense	331,069	20,871,838	386,150	23,126,501
	331,069	20,871,838	386,150	23,126,501

Note - 14

	(Amount in USD) Period ended December 31, 2014	(Amount in ₹) Period ended December 31, 2014	(Amount in USD) Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2014
OTHER EXPENSES				
(a) Rates and Taxes	15	946	1,138	68,134
(b) Office Expenses	7,261	457,785	2,798	167,581
(c) Travelling & Conveyance	59,372	3,743,029	43,070	2,579,481
(d) Auditors Remuneration	18,000	1,134,788	13,932	834,387
(e) Staff Training and Seminar Expenses	-	-	549	32,880
(f) Foreign Currency (Gain)/Loss - (Net)	2,700	170,245	4,161	249,203
(g) Communication Expenses	13,950	879,451	16,084	963,286
(h) Miscellaneous Expenses	3,233	203,809	47,089	2,820,148
	106,411	6,708,573	128,821	7,715,100

Third annual report 2014-15

Cambric Holdings, Inc.

Notes forming part of financial statements

Note 15

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements are prepared have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US \$ Nil (₹ Nil) as at March 31, 2015.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2015.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Conversion into Indian Rupees

The financial information is expressed in US \$ only in the audited Accounting packs based on which the attached financial statements have been reformatted. . Solely for the convenience of the reader and to meet the requirement of section 129 of the Companies (Accounts) Rules, 2014, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US \$ = ₹ 63.04375 as on December 31, 2014 and 1 US \$ = ₹ 59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.5 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statement.