

ANNUAL REPORT OF CAMBRIC GmbH

CAMBRIC GMBH

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CAMBRIC GMBH

DIRECTORS: 1. Mr. Timothy P. Hayes
2. Mr. Erin Fletcher

**REGISTERED:
OFFICE** C/o ServiceKnotor
Campus, Geb. A1 1
D-66123 Saarbrücken

TO THE MEMBERS OF Cambric GmbH

The Directors hereby present the Twelfth 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 year ended March 31, 2015 are as follows:

	(In US \$)	(In ₹)
Income	802,518	50,155,346
Profit for the year	37,254	2,328,375

2. OPERATIONS

Cambric GmbH is an engineering services entity. It was formed in 2002 to enable Cambric to provide services to European clients. Currently, the entity is 100% dedicated to providing engineering services in Germany to Cambric customers, on-site at the customer facilities (customer purchase orders are assigned from Cambric Corporation to Cambric GmbH). It does not perform individual sales and marketing or any management functions. During the year the company registered a turnover of US \$ 802,518 (₹ 50,155,346) and a profit of US \$ 37,254 (₹ 2,328,375)

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.

Cambric GmbH
Profit and Loss Statement for the period ended MAR 31, 2015

Particulars	Note No.	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
I. Revenue from Operations	10	802,518	50,155,346	756,652	45,315,918
II. Other Income	11	-	-	1,205	72,154
III. Total Revenue (I + II)		802,518	50,155,346	757,857	45,388,072
IV. Expenses :					
(a) Consultancy fees, Softwares and others	12	343,809	21,487,193	412,949	24,731,541
(b) Employee Benefit Expense	13	373,467	23,340,744	238,536	14,285,902
(c) Depreciation Expense	5	1,956	122,260	4,902	293,568
(d) Other Expenses	14	24,926	1,557,835	67,882	4,065,442
Total Expenses		744,158	46,508,031	724,269	43,376,453
V. Profit Before Tax (III-IV)		58,358	3,647,315	33,588	2,011,619
VI. Tax Expense :					
(a) Current Tax		21,104	1,318,940	9,196	550,732
VII Profit from continuing operations (V - VI)		37,254	2,328,375	24,392	1,460,887

Significant Accounting Policies

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For and on behalf of the Board of Directors

Timothy P. Hayes Director

Erin Fletcher Director

Place: Germany

Date:

Cambric GmbH
Cash Flow Statement for the year ended MAR 31, 2015

	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Taxation	37,254	2,328,312
Depreciation and amortization	1,956	122,260
Provision for Income Tax	21,104	1,318,940
	<hr/>	<hr/>
Operating profit before Working Capital Changes	60,315	3,769,512
Adjustments for :		
Trade Receivables	15,945	996,537
Loans and advances	(41,157)	(2,572,199)
Unbilled Revenue	24,731	1,545,617
Prepaid Expenses	(7,151)	(446,926)
Trade Payables	25,130	1,570,593
Other Current Liabilities	13,301	831,278
Short Term Provision	8,077	504,778
Advance Tax / Tax Deducted at Source	(33,880)	(2,117,431)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<hr/>	<hr/>
	65,311	4,081,759
CASH FLOW FROM INVESTING ACTIVITIES		
Goodwill generated due to acquisition	(3,170)	(198,101)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	<hr/>	<hr/>
	(3,170)	(198,101)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		
	62,141	3,883,657
Cash & Cash equivalent at the close of the year as per Note 7	23,154	1,447,055
Cash & Cash equivalents at the beginning of the year as per Note 7	10,320	644,983
Translation adjustment on reserves of foreign subsidiaries	(49,308)	(3,081,585)
	<hr/>	<hr/>
	62,142	3,883,657

For and on behalf of the Board of Directors

Place: Germany
Date:

Timothy P. Hayes **Director**
Erin Fletcher **Director**

Cambric GmbH
Notes forming part of financial statements

Note - 1

SHARE CAPITAL

Issued, subscribed and fully paid :

EUR 25,000

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
	30,651	1,915,596	30,651	1,835,674
	30,651	1,915,596	30,651	1,835,674

Cambric GmbH
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS					(Amount in USD)
Particulars	As at March 31, 2013	Additions	Deductions	Adjustments	As at Mar 31, 2014
(a) Translation Reserves	1,485	-	49,441	-	(47,956)
(b) Surplus i.e. balance in statement of Profit and Loss [Note (i) below]	205,667	37,254	-	-	242,922
	<u>207,152</u>	<u>37,254</u>	<u>49,441</u>	<u>-</u>	<u>194,966</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 for the year	37,254	-	24,392	-
	<u>37,254</u>	<u>-</u>	<u>24,392</u>	<u>-</u>

Note - 2

RESERVES AND SURPLUS					(Amount in ₹)
Particulars	As at March 31, 2014	Additions	Deductions	Adjustments	As at Mar 31, 2015
(c) Translation Reserves	88,939	3,089,922	-	-	3,178,861
(e) Surplus i.e. balance in statement of Profit and Loss [Note (ii) below]	12,317,405	2,328,375	-	-	14,645,780
	<u>11,759,249</u>	<u>5,418,296</u>	<u>-</u>	<u>-</u>	<u>17,824,640</u>

Notes:-

	(Amount in ₹)		(Amount in ₹)	
	2013-2014		2013-2014	
	Additions	Deductions	Additions	Deductions
(i) Changes in Statement of Profit and Loss :				
(a) Profit for the year	2,328,375	-	1,460,887	-
	<u>2,328,375</u>	<u>-</u>	<u>1,460,887</u>	<u>-</u>

Cambric Gmbh
Notes forming part of financial statements

Note - 3

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
OTHER CURRENT LIABILITIES				
(a) Statutory dues	32,347	2,021,626	33,102	1,982,482
(b) Intercompany Payable Account	14,056	878,448	-	-
	46,403	2,900,074	33,102	1,982,482

Note -4

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
SHORT-TERM PROVISIONS				
(a) Provision for Employee benefits	27,914	1,744,559	19,837	1,188,055
	27,914	1,744,559	19,837	1,188,055

Cambric GmbH
Notes forming part of financial statements

Note - 5

		(Amount in USD)											
FIXED ASSETS		Cost as at April 1, 2014	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2015	Accumulated depreciation up to April 1, 2014	Depreciation for the year 2014-2015	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2015	Net Book Value as at Mar 31, 2015	Net Book Value as at Mar 31, 2014
[A]	TANGIBLE ASSETS												
(a)	Plant & Machinery and Equipments	16,419	-	-	(3,573)	12,845	14,330	1,956	-	(3,440)	12,846	(0)	2,089
	Total	16,419	-	-	(3,573)	12,845	14,330	1,956	-	(3,440)	12,846	(0)	2,089

Note - 5

		(Amount in ₹)											
FIXED ASSETS		Cost as at April 1, 2013	Additions	Deductions	Translation Adjustment	Cost as at Mar 31, 2014	Accumulated depreciation up to April 1, 2013	Depreciation for the year 2013-2014	Deductions	Translation Adjustment	Accumulated depreciation up to Mar 31, 2014	Net Book Value as at Mar 31, 2014	Net Book Value as at Mar 31, 2013
[A]	TANGIBLE ASSETS												
(a)	Plant & Machinery and Equipments	1,026,125	-	-	(223,325)	802,799	895,585	122,260	-	(214,991)	802,822	(23)	130,540
	Total	1,026,125	-	-	(223,325)	802,799	895,585	122,260	-	(214,991)	802,822	(23)	130,540

Cambric GmbH
Notes forming part of financial statements

Note - 6

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	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	221,877	14,064,824	237,823	14,243,196
Considered doubtful	-	-	-	-
	221,877	14,064,824	237,823	14,243,196
Less : Allowances for doubtful debts	-	-	-	-
	221,877	14,064,824	237,823	14,243,196
	221,877	14,064,824	237,823	14,243,196

Note - 7

	(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	23,154	1,447,055	10,320	618,073
	23,154	1,447,055	10,320	618,073

Note - 8

	(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) Prepaid expenses	23,912	1,494,451	16,761	1,003,821
(b) Unbilled Revenue	0	9	24,731	1,481,140
(c) Intercompany Receivable Account	53,759	3,359,831	-	-
	77,672	4,854,291	41,492	2,484,961

Note - 9

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
SHORT TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
(a) Loans and Advances employees	-	59	12,603	754,830
	-	59	12,603	754,830

Cambric GmbH
Notes forming part of financial statements

Note -10

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
REVENUE FROM OPERATIONS				
(b) Sale of Services	802,518	50,155,346	756,652	45,315,918
	802,518	50,155,346	756,652	45,315,918

Note -11

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
OTHER INCOME				
(a) Interest income-Others	-	-	1,205	72,154
	-	-	1,205	72,154

Note -12

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	149	9,293	412,949	24,731,541
(b) Professional Fees	127,482	7,967,319	-	-
(c) Intercompany Expenses	216,178	13,510,580		
	343,809	21,487,193	412,949	24,731,541

Cambric Gmbh
Notes forming part of financial statements

Note -13

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	333,874	20,866,311	187,474	11,227,826
(b) Staff welfare Expenses	39,592	2,474,432	51,062	3,058,076
	373,467	23,340,744	238,536	14,285,902

Note -14

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
OTHER EXPENSES				
(a) Rent	2,368	148,007	2,958	177,141
(b) Rates and Taxes	-	-	82	4,915
(c) Office Expenses	436	27,262	341	20,450
(d) Travelling & Conveyance	17,782	1,111,328	50,559	3,027,988
(e) Auditors Remuneration	(0)	(0)	8,312	497,798
(f) Staff Training and Seminar Expenses	1,281	80,066	2,011	120,429
(g) Foreign Currency (Gain)/Loss - (Net)	762	47,595	857	51,350
(h) Communication Expenses	20	1,224	135	8,067
(i) Miscellaneous Expenses	2,278	142,352.61	2,627	157,304.48
	24,926	1,557,835	67,882	4,065,442

Cambric Gmbh

Notes forming part of financial statements

Note 15

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') 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 \$ = ₹ 62.4975 as on March 31, 2015. 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.