

ANNUAL REPORT OF CAMBRIC UK LIMITED

CAMBRIC UK LIMITED

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CAMBRIC UK LIMITED

DIRECTORS: Mr. Warren Harris
Mr. Nicholas Sale
Mr. Timothy P. Hayes

**REGISTERED:
OFFICE** C/o Blick Rothenberg (BRAL)/ UK
16 Great Queen Street
Covent Garden
London, WC2B 5AH

**TO THE MEMBERS OF
Cambric UK, Limited**

The Directors hereby present the Ninth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2017.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2017 are as follows:

	(In US \$)	(In ₹)
Income	-	-
Los for the year	548,256	35,554,403

2. OPERATIONS

Cambric UK Ltd is an engineering services entity that was formed in 2008, and in 2011 became Cambric's European headquarters, enabling Cambric to provide services throughout much of Europe. Cambric UK Ltd is 100% dedicated to providing engineering services to Cambric-related entities through internal subcontracts. It performs some sales and marketing activities.

The Czech Republic Branch was formed to allow engineering services to be provided in the Czech Republic on-site, at customer facilities (applicable customer purchase orders are assigned from Cambric Corporation to the Branch). During the year the company registered a turnover of US \$ Nil (₹ Nil) and a loss of US \$ 548,256 (₹ 35,554,403)

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 2017, 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, 2017 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.

On behalf of the Board of Directors;

Mr. Warren Harris	Director
Mr. Nicholas Sale	Director
Mr. Timothy P. Hayes	Director

Place:

Date:

Cambric UK Limited
Balance Sheet as on March 31, 2017

Particulars	Note No	(Amount in USD)	(Amount in INR)	(Amount in USD)	(Amount in INR)
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
I. ASSETS					
(1) Current Assets					
(a) Financial assets:					
(i) Cash and cash equivalents	3	-	-	577,446	38,254,352
(b) Other current assets	4	1	69	4,898	324,476
(c) Current income tax Assets		-	-	53,197	3,524,137
Total Current Assets		1	69	635,541	42,102,964
Total Assets		1	69	635,541	42,102,964
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	5	1.32	86	1	87
(b) Other Equity		(0.25)	(16)	587,077	38,892,362
Total Equity		1	69	587,078	38,892,449
Liabilities					
(1) Current Liabilities					
(a) Financial liabilities:					
(i) Trade payables		-	-	48,463	3,210,515
Total Current Liabilities		-	-	48,463	3,210,515
Total Liabilities		-	-	48,463	3,210,515
Total Equity and Liabilities		1	69	635,541	42,102,964

Notes forming part of Financial Statements 1-10

For and on behalf of the Board of Directors

Place:
Date:

Warren Harris
Director

Nicholas Sale
Director

Cambric UK Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No	(Amount in USD)	(Amount in INR)	(Amount in USD)	(Amount in INR)
		Year ended	Year ended	Year ended	Year ended
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
I. Revenue from operations	6	-	-	4,519,387	299,398,089
Total Income		-	-	4,519,387	299,398,089
II. Expenses :					
(a) Consultancy fees, softwares and others	7	6,461	419,021	4,385,848	290,551,450
(b) Employee benefits expense	8	-	-	17,808	1,179,724
(c) Finance Cost	9	0	1	-	-
(d) Other expenses	10	503,847	32,674,452	73,791	4,888,462.02
Total expenses (II)		510,308	33,093,475	4,477,446	296,619,636
III. Profit before tax (I-II)		(510,308)	(33,093,475)	41,940	2,778,453
IV. Tax Expense :					
(a) Current tax		37,948	2,460,928	(49,862)	(3,303,201)
		37,948	2,460,928	(49,862)	(3,303,201)
V. Profit for the year (III-IV)		(548,256)	(35,554,403)	91,802	6,081,654
VI. Other comprehensive income:					
(i) Exchange differences on translation of foreign operations		-	-	-	-
VII. Other comprehensive income for the year		-	-	-	-
VIII. Total comprehensive income for the period (VI+VII)		(548,256)	(35,554,403)	91,802	6,081,654
Notes forming part of Standalone Financial Statements	1-10				

For and on behalf of the Board of Directors

Place:
Date:

Warren Harris
Director

Nicholas Sale
Director

Cambric UK Limited
Cash Flow Statement

	(Amount in USD)	(Amount in INR)	(Amount in USD)	(Amount in INR)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit after taxation	(548,256)	(35,554,403)	91,802	6,081,653
Provision/(Reversal) for Income Tax	37,948	2,460,928	(49,862)	(3,303,201)
Operating profit before working capital changes	(510,308)	(33,093,475)	41,940	2,778,452
Adjustments for (Increase) / Decrease in operating assets and liabilities				
Trade receivables	-	-	1,165,206	77,191,991
Statutory dues	-	-	8,326	551,564
Prepaid Expenses	-	-	23,276	1,541,953
Trade Payables	4,897	317,562	(690,494)	(45,743,490)
Short Term Provision	-	-	(11,048)	(731,874)
Advance Tax / Tax Deducted at Source	(48,461)	(3,142,719)	(67,927)	(4,499,992)
CASH (USED IN) / GENERATED FROM OPERATIONS	(43,564)	(2,825,158)	427,339	28,310,153
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(43,564)	(2,825,158)	427,339	28,310,153
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS				
Cash & Bank balances at the close of the year (Refer Note 3) #	-	-	300,424	19,902,316
Cash & Bank balances at the beginning of the year (Refer Note 3) #	577,446	37,447,377	554	36,679
	(577,446)	(37,447,377)	299,870	19,865,638

Notes forming part of Financial Statements

1-10

For and on behalf of the Board of Directors

Place:
Date:

Warren Harris
Director

Nicholas Sale
Director

Cambric UK Limited
Statement of changes in equity

(Amount in USD)

Other Equity	Equity Share Capital	Reserves and Surplus		Total equity
		Retained earnings	Translation reserve	
Balance as at April 1, 2015	1	523,436	(89,790)	433,647
Income for the year	-	91,802	61,629	153,431
Total comprehensive income/(loss) for the year	1	615,238	(28,161.63)	587,078
Dividend paid (including dividend tax)	-	-	-	-
Balance as at March 31, 2016	1	615,238	(28,162)	587,078
Balance as at April 1, 2016	1	615,238	-	615,240
Income for the year	-	(548,256)	(66,982.68)	(615,239)
Total comprehensive income/(loss) for the year	1	66,982	(66,983)	1.07
Dividend paid (including dividend tax)	-	-	-	-
Balance as at March 31, 2017	1	66,982	(66,983)	1

(Amount in INR)

Other Equity	Equity Share Capital	Reserves and Surplus		Total equity
		Retained earnings	Translation reserve	
Balance as at April 1, 2015	87	34,676,346	(5,948,394)	28,728,040
Income for the year	-	6,081,653	4,082,756	10,164,409
Total comprehensive income/(loss) for the year	87	40,757,999	(1,865,638)	38,892,449
Dividend paid (including dividend tax)	-	-	-	-
Balance as at March 31, 2016	87	40,757,999	(1,865,638)	38,892,449
Balance as at April 1, 2016	86	39,898,214	-	39,898,300
Income for the year	-	(35,554,403)	(4,343,828)	(39,898,231)
Total comprehensive income/(loss) for the year	86	4,343,811	(4,343,828)	69
Dividend paid (including dividend tax)	-	-	-	-
Balance as at March 31, 2017	86	4,343,811	(4,343,828)	69

Notes forming part of Standalone Financial Statements

1-10

For and on behalf of the Board of Directors

Place:
Date:

Warren Harris
Director

Nicholas Sale
Director

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standard (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The transition was carried out from Accounting principles generally accepted in India, which was the previous GAAP (referred as “previous GAAP”), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 which was followed upto the year ended March 31, 2016. These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

1.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made.

1.3 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.

1.4 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

1.5 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 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.

1.6 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.

1.7 Foreign currency translation and translation

Foreign-currency denominated monetary assets and liabilities are re-instated at exchange rates at the balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The functional currency of the Company and its foreign branch is the Indian Rupee.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit/loss for the year in which the transaction is settled and is charged to the statement of Profit & Loss. Revenue, expense and cash-flow items denominated in foreign currencies are re-instated using the exchange rate in effect on the date of the transaction.

1.8 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.

1.9 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.

1.10 Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised 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, 2017.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2017.

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 \$ = ₹ 64.85001 as on March 31, 2017. 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.

Cambric UK Limited
Notes forming part of the Financial Statements

3 CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents include the cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	(Amount in USD) As at	(Amount in INR) As at	(Amount in USD) As at	(Amount in INR) As at
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
(a) Current account with banks	-	-	577,446	38,254,352
	-	-	577,446	38,254,352

4 OTHER CURRENT ASSETS

(a) Intercompany Receivable Account
(b) VAT, other taxes recoverable, statutory deposits

	(Amount in USD) As at	(Amount in INR) As at	(Amount in USD) As at	(Amount in INR) As at
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
(a) Intercompany Receivable Account	1	69	-	-
(b) VAT, other taxes recoverable, statutory deposits	-	-	4,898	324,476
	1	69	4,898	324,476

	<u>(Amount in USD)</u>	<u>(Amount in INR)</u>	<u>(Amount in USD)</u>	<u>(Amount in INR)</u>
	As at	As at	As at	As at
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
5 Equity Share Capital				
(a) Authorised share capital				
100 Ordinary shares of GBP 1 per share	1,000	64,850	1,000	66,248
(b) Issued,Subscribed and Fully paid up capital:				
1 Ordinary shares of GBP 1 per share	1	86	1	87
Total	1	86	1	87

	(Amount in USD) Year ended March 31, 2017	(Amount in INR) Year ended March 31, 2017	(Amount in USD) Year ended March 31, 2016	(Amount in INR) Year ended March 31, 2016
6 REVENUE FROM OPERATIONS				
(a) Sale of services	-	-	4,519,387	299,398,089
	-	-	4,519,387	299,398,089
	(Amount in USD) Year ended March 31, 2017	(Amount in INR) Year ended March 31, 2017	(Amount in USD) Year ended March 31, 2016	(Amount in INR) Year ended March 31, 2016
7 CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Professional fees	6,461	419,021	4,385,848	290,551,450
	6,461	419,021	4,385,848	290,551,450
	(Amount in USD) Year ended March 31, 2017	(Amount in INR) Year ended March 31, 2017	(Amount in USD) Year ended March 31, 2016	(Amount in INR) Year ended March 31, 2016
8 EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and wages	-	-	17,700	1,172,614
(b) Staff welfare Expenses	-	-	107	7,111
	-	-	17,808	1,179,724
	(Amount in USD) Year ended March 31, 2017	(Amount in INR) Year ended March 31, 2017	(Amount in USD) Year ended March 31, 2016	(Amount in INR) Year ended March 31, 2016
9 FINANCE COST				
(a) Interest on short term borrowings	0	1	-	-
	0	1	-	-
	(Amount in USD) Year ended March 31, 2017	(Amount in INR) Year ended March 31, 2017	(Amount in USD) Year ended March 31, 2016	(Amount in INR) Year ended March 31, 2016
10 OTHER EXPENSES				
(a) Rates and Taxes	549	35,624	483	31,976
(b) Insurance	-	-	461	30,563
(c) Office Expenses	187	12,102	14	944
(d) Travelling & Conveyance	-	-	1,461	96,815
(e) Foreign Currency (Gain)/Loss - (Net)	5,374	348,472	67,311	4,459,162
(f) Communication Expenses	-	-	120	7,941
(g) Miscellaneous expenses	497,737	32,278,253	3,941	261,062
	503,847	32,674,452	73,791	4,888,463