

**CAMBRIC GMBH**  
**Annual Financial Statements**  
**For the year ended March 31, 2018**

# CAMBRIC GMBH

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## **CAMBRIC GMBH**

### **DIRECTORS:**

1. Warren Harris
2. Nick Sale

### **REGISTERED: OFFICE**

C/o ServiceKnotor  
Campus, Geb. A1 1  
D-66123 Saarbrücken

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 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 Critical accounting 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.

Note 6- Revenue Recognition and unbilled revenue (to the extent of projects where revenue is recognised on percentage completion method)

### **1.3 Revenue recognition**

Revenue is measured at fair value of consideration received or receivable.

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets as per the terms of specific contracts. Revenues from fixed price contracts are recognized when collectability of the resulting receivable is reasonably assured or percentage of completion method depending on terms of the contract. The percentage of completion is determined on the degree of the cost incurred. Foreseeable losses on such contracts are recognized when probable. Revenue accrued from the end of the last billing to the balance sheet date is recognised as unbilled revenue.

Revenue from third party software products and hardware sale is recognized upon delivery.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

#### 1.4 Fixed assets and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Type of Asset	Useful life of
Leasehold improvements	Lower of Lease period or useful life
Buildings	15 to 25 years
Plant and Machinery	1 to 21 years
Computer Equipment's	1 to 4 years
Vehicles	3 to 11 years
Furniture & Fixtures	1 to 21 years
Software	1 to 4 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in the estimate accounted for on a prospective basis.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

#### 1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

#### 1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories are ascertained on a first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

#### 1.7 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.

### **1.8 Foreign currency transaction 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.

### **1.9 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.

### **1.10 Provisions, contingent liabilities and contingent assets**

A provision is recognized 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 recognized in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**Cambric GmbH**  
**Balance Sheet as at March 31, 2018**

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>I. ASSETS</b>					
<b>(2) Current Assets</b>					
(a) Financial assets:					
(iii) Cash and cash equivalents	1	301,401	19,644,592	289,022	18,743,064
(b) Current tax assets (net)		766	49,953	13,851	898,245
(c) Other current assets					
(i) VAT, Other taxes recoverable, statutory deposits		-	-	78	5,069
<b>Total Assets</b>		<b>302,167</b>	<b>19,694,545</b>	<b>302,951</b>	<b>19,646,378</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity Share capital		30,651	1,997,740	30,651	1,987,702
(b) Other Equity		270,266	17,615,287	272,300	17,658,676
<b>Total Equity</b>	2	<b>300,918</b>	<b>19,613,027</b>	<b>302,951</b>	<b>19,646,378</b>
<b>Liabilities</b>					
<b>(2) Current Liabilities</b>					
(a) Other current liabilities					
(i) Statutory dues		1,250	81,518.45	-	-
<b>Total Current Liabilities</b>		<b>1,250</b>	<b>81,518</b>	<b>-</b>	<b>-</b>
<b>Total Equity and Liabilities</b>		<b>302,167</b>	<b>19,694,545</b>	<b>302,951</b>	<b>19,646,378</b>
<b>Notes forming part of Financial Statements</b>	1-7				

For and on behalf of the Board of Directors

Warren Harris  
Nick Sale

Director  
Director

Place : Germany

Date :

**Cambric GmbH**  
**Profit and Loss Statement for the year ended March 31, 2018**

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
II. Other Income	3	83	5,411	11,123	721,318
III. <b>Total Income (I + II)</b>		<b>83</b>	<b>5,411</b>	<b>11,123</b>	<b>721,318</b>
IV. Expenses :					
(b) Consultancy fees, softwares and others	4	5,810	378,672	3,377	219,011
(c) Employee benefits expense	5	-	-	283	18,335
(f) Other expenses	6	9,125	594,771	22,852	1,481,971
<b>Total expenses (IV)</b>		<b>14,935</b>	<b>973,443</b>	<b>26,512</b>	<b>1,719,317</b>
V. <b>Profit before tax (III-IV)</b>		<b>(14,852)</b>	<b>(968,032)</b>	<b>(15,389)</b>	<b>(997,999)</b>
VII. <b>Profit / (Loss) Before Tax</b>		<b>(14,852)</b>	<b>(968,032)</b>	<b>(15,389)</b>	<b>(997,999)</b>
VI Tax Expense :					
(a) Current Tax		32,881	2,143,080	(36,128)	(2,342,900)
		<b>32,881</b>	<b>2,143,080</b>	<b>(36,128)</b>	<b>(2,342,900)</b>
VII. <b>Profit after Tax (V-VI)</b>		<b>(47,733)</b>	<b>(3,111,112)</b>	<b>20,739</b>	<b>1,344,901</b>
VIII. <b>Other Comprehensive Income :</b>					
(i) Exchange differences on translation of foreign operations		-	-	(18,818)	(1,220,320)
IX. <b>Other Comprehensive Income for the year:</b>		-	-	(18,818)	(1,220,320)
X. <b>Profit/(Loss) for the year (VIII+IX)</b>		<b>(47,733)</b>	<b>(3,111,112)</b>	<b>1,921</b>	<b>124,581</b>

Notes forming part of Standalone Financial Statements 1-7

For and on behalf of the Board of Directors

Warren Harris  
Nick Sale

Director  
Director

Place : Germany  
Date :

**Cambric GmbH**  
**Consolidated Cash Flow Statement for**

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after Taxation and Extraordinary Items	(47,733)	(3,111,112)	20,739	1,344,901
Provision for Income Tax	32,881	2,143,080	(36,128)	(2,342,900)
Interest Income	(83)	(5,411)	-	-
Operating profit before Working Capital Changes	(14,935)	(973,443)	(12,219)	(792,376)
Adjustments for :				
Trade Receivables	-	-	139,525	9,048,179
Other Current Assets	78	5,084	19,460	1,261,958
Trade Payables	-	-	(41,782)	(2,709,593)
Statutory dues	1,251	81,553	-	-
CASH (USED IN) / GENERATED FROM OPERATIONS			104,983	6,808,168
Income Taxes paid (Net)	(19,796)	(1,290,260)	696	45,107
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(33,402)	(2,177,066)	105,679	6,853,275
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	83	5,411	-	-
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	83	5,411	-	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(33,319)	(2,171,655)	105,679	6,853,275
Cash & Cash equivalent at the close of the year	301,401	19,644,592	289,022	18,743,064
Cash & Cash equivalents at the beginning of the year	289,022	18,837,734	202,161	13,110,174
Add : Translation adjustment	(45,698)	(2,978,513)	18,818	1,220,385
Effect of exchange rate changes on cash and cash equivalents				
	(33,319)	(2,171,655)	105,679	6,853,275

Notes forming part of Standalone Financial Statements 1-7

For and on behalf of the Board of Directors

Warren Harris  
Nick Sale

Director  
Director

Place : Germany  
Date :

**Cambric GmbH**  
**Notes forming part of the Financial Statements**

**1 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:

	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
Current account with banks (Refer note 11 (i))	301,401	19,644,592	289,022	18,743,064
	<b>301,401</b>	<b>19,644,592</b>	<b>289,022</b>	<b>18,743,064</b>
Notes : In foreign currencies	301,401	19,644,592	289,022	18,743,064

(Amount in USD)

2. Other Equity	Equity Share Capital			Total equity
		Retained earnings	Currency Translation Reserve	
<b>Balance as at April 1, 2016</b>	30,651	303,958	(33,579)	301,030
Income for the year	-	20,739	(18,818)	1,921
Total comprehensive income/(loss) for the year	30,651	324,697	(52,396)	302,951
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>30,651</b>	<b>324,697</b>	<b>(52,396)</b>	<b>302,951</b>
<b>Balance as at April 1, 2017</b>	30,651	324,697	(52,396)	302,952
Income for the year	-	(47,733)	45,698	(2,035)
Total comprehensive income/(loss) for the year	30,651	276,964	(6,698)	300,917
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>30,651</b>	<b>276,964</b>	<b>(6,698)</b>	<b>300,917</b>

(Amount in ₹)

Other Equity	Equity Share Capital			Total equity
		Retained earnings	Currency Translation Reserve	
<b>Balance as at April 1, 2016</b>	1,987,702	19,711,668	(2,177,573)	19,521,797
Income for the year	-	1,344,901	-	1,344,901
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	(1,220,320)	(1,220,320)
Total comprehensive income/(loss) for the year	1,987,702	21,056,569	(3,397,893)	19,646,378
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>1,987,702</b>	<b>21,056,569</b>	<b>(3,397,893)</b>	<b>19,646,378</b>
<b>Balance as at April 1, 2017</b>	1,997,756	21,162,942	(3,415,041)	19,745,657
Income for the year	-	(3,111,112)	2,978,482	(132,630)
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	-	-
Total comprehensive income/(loss) for the year	1,997,756	18,051,830	(436,559)	19,613,027
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>1,997,756</b>	<b>18,051,830</b>	<b>(436,559)</b>	<b>19,613,027</b>

**Cambric GmbH**  
**Notes forming part of the Financial Statements**

	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
<b>3 OTHER INCOME</b>				
<b>(a) Interest income</b>				
(i) Interest income-others	83	5,411	-	-
<b>Other non-operating income</b>				
Foreign currency gain (net)	-	-	11,123	721,318
	<b>83</b>	<b>5,411</b>	<b>11,123</b>	<b>721,318</b>
	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>4 CONSULTANCY FEES, SOFTWARES AND OTHERS</b>				
Professional fees	5,810	378,672	3,377	219,011
	<b>5,810</b>	<b>378,672</b>	<b>3,377</b>	<b>219,011</b>
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>5 EMPLOYEE BENEFIT EXPENSE</b>				
(e) Staff welfare expenses	-	-	283	18,335
	<b>-</b>	<b>-</b>	<b>283</b>	<b>18,335</b>
	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>6 OTHER EXPENSES</b>				
Rates and Taxes	-	-	21,756	1,410,861
Foreign Currency Loss	8,430	549,445	-	-
Miscellaneous Expenses	695	45,326	1,097	71,110
	<b>9,125</b>	<b>594,771</b>	<b>22,852</b>	<b>1,481,971</b>

7 (a) 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.

7 (b) The above Financial Statements are prepared from the internally prepared management accounts of the Company. There is no separate audit report is given in respect of the Company. An audit report for the Group is issued by Deloitte Haskins & Sells, Chartered Accountants and is included in its financial statements.

7 (c) The above Financial Statements are prepared from the internally prepared management accounts of the Company. There is no separate audit report is given in respect of the Company. An audit report for the Group is issued by Deloitte Haskins & Sells, Chartered Accountants and is included in its financial statements.

# Directors Report

## TO THE MEMBERS OF Cambric GmbH

The Directors hereby present the Fifth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2018.

### 1 FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2018 are as follows:

	In US\$	In (INR)
Income	83	5,411
Profit for the year	(47,733)	(3,111,112)

### 2 OPERATIONS

Cambric GmbH (the Company) is an engineering services entity. It was formed in 2002 to enable Cambric to provide services to European clients. With the acquisition of Cambric Corp by Tata Technologies in 2013, the company has become subsidiary of Tata Technologies. The entity was 100% dedicated to providing engineering services in Germany, on-site at the customer facilities (customer purchase orders are assigned from Cambric Corporation to Cambric GmbH). In view of operations ease the Company moved its employees under Tata Technologies Europe Limited. Currently, The company is in the process of liquidation.

### 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 2018, 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, 2018 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;**

**Warren Harris**  
**Nick Sale**

Place :

Date :