

ANNUAL REPORT OF CAMBRIC LIMITED

CAMBRIC LIMITED

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CAMBRIC LIMITED

DIRECTORS:

1. Mr. Warren Harris
2. Mr. Kevin Noe

REGISTERED: OFFICE

C/o H&J Corporate Services Ltd.
Ocean Centre, Montagu Foreshore
East Bay Street
PO Box SS-19084
Nassau, Bahamas

TO THE MEMBERS OF Cambric Limited

The Directors hereby present the Nineteenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2016.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2016 are as follows:

	(In US \$)	(In ₹)
Income	839,945	55,644,256
Profit for the year	176,230	11,674,776

2. OPERATIONS

Cambric Limited was formed in 1997. Cambric Limited holds the majority of the engineering software licenses that are used by the group. It wholly owns Tata Technologies SRL, Romania.

During the year the company registered a turnover of US \$ 839,945 (₹ 55,644,256) and a profit of US \$ 176,230 (₹ 11,674,776)

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 2016, 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, 2016 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

Kevin Noe
Director

Place:

Date:

Cambric Limited, Bahama
Balance Sheet as at March 31, 2016

		(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
Particulars	Note No.	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	2,700,000	178,868,250	2,700,000	168,743,250
(b) Reserves and Surplus	2	335,491	22,225,425	159,261	9,953,421
		3,035,491	201,093,675	2,859,261	178,696,671
(2) Current Liabilities					
(a) Trade Payables		-	-	227,131	14,195,120
		3,035,491	201,093,675	3,086,392	192,891,790
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets					
(i) Intangible Assets	3	222,285	14,725,814	142,270	8,891,492
		222,285	14,725,814	142,270	8,891,492
(b) Goodwill on Acquisition		291,320	19,299,163	291,319	18,206,719
(c) Non-current Investments	4	1,641,311	108,732,758	1,641,311	102,577,841
		2,154,916	142,757,735	2,074,900	129,676,052
(2) Current Assets					
(a) Trade Receivables	5	144,491	9,572,168	561,510	35,092,987
(b) Cash and Bank Balances	6	733,851	48,615,827	153,921	9,619,664
(c) Other Current Assets	7	2,233	147,945	296,061	18,503,088
		880,575	58,335,940	1,011,492	63,215,739
		3,035,491	201,093,676	3,086,392	192,891,790

Significant Accounting Policies

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For and on behalf of the Board of Directors

Place:
Date:

Warren Harris
Director

Kevin Noe
Director

Cambric Limited, Bahama
Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No.	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
I. Revenue from Operations	8	839,070	55,586,290	847,500	52,966,631
II. Other Income	9	875	57,967	11,125	695,285
III. Total Revenue (I + II)		839,945	55,644,257	858,625	53,661,916
IV. Expenses :					
(a) Consultancy fees, Softwares and others	10	490,197	32,474,354	707,398	44,210,617
(b) Amortisation Expense	3	170,124	11,270,302	53,238	3,327,237
(c) Other Expenses	11	3,394	224,825	5,156	322,220
Total Expenses		663,715	43,969,481	765,792	47,860,074
V. Profit/(Loss) Before Tax (III-IV)		176,230	11,674,776	92,833	5,801,842
Significant Accounting Policies	12				

For and on behalf of the Board of Directors

Warren Harris
Director

Kevin Noe
Director

Cambric Limited, Bahama
Cash Flow Statement for the year ended March 31, 2016

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation and Extraordinary Items	176,230	11,674,776	92,833	5,801,842
Depreciation and amortization	170,124	11,270,302	53,238	3,327,237
Interest Income	(874)	(57,900)	(11,125)	(695,285)
Operating profit before Working Capital Changes	345,480	22,887,178	134,946	8,433,795
Adjustments for :				
Trade Receivables	417,019	27,626,483	(179,977)	(11,248,128)
Prepaid Expenses	293,828	19,465,387	(21,458)	(1,341,090)
Trade Payables	(227,131)	(15,046,861)	227,131	14,195,120
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	829,196	54,932,172	160,641	10,039,683
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	874	57,900	11,125	695,285
Payment for Purchase of Fixed Assets	(250,140)	(16,571,112)	(63,530)	(3,970,516)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(249,266)	(16,513,212)	(52,405)	(3,275,231)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	579,930	38,418,960	108,236	6,764,451
Cash & Cash equivalent at the close of the year as per Note 6	733,851	48,615,827	153,921	9,619,664
Cash & Cash equivalents at the beginning of the year as per Note 6	153,921	10,196,867	45,685	2,855,213
	579,930	38,418,960	108,236	6,764,451

For and on behalf of the Board of Directors

Warren Harris
Director

Kevin Noe
Director

Place:
Date:

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 1

SHARE CAPITAL

Issued, subscribed and fully paid :

5000 ordinary shares of USD 1 per share

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	2,700,000	178,868,250	2,700,000	168,743,250
	2,700,000	178,868,250	2,700,000	168,743,250

Cambric Limited, Bahama
Notes forming part of financial statements

Note -2

RESERVES AND SURPLUS		(Amount in USD)				
Particulars		As at March 31, 2015	Additions	Deductions	Adjustments	As at Mar 31, 2016
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	159,261	176,230	-	-	335,491
		159,261	176,230	-	-	335,491

Notes:-

- (i) **Changes in Statement of Profit and Loss :**
(a) Profit/(Loss) for the year

(Amount in USD)		(Amount in USD)	
2015-2016		2014-2015	
Additions	Deductions	Additions	Deductions
176,230	-	92,833	-
176,230	-	92,833	-

Note -2

RESERVES AND SURPLUS		(Amount in ₹)				
Particulars		As at March 31, 2015	Additions	Deductions	Adjustments	As at Mar 31, 2016
(a) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	9,953,421	11,674,776	-	-	21,628,196
		9,953,421	11,674,776	-	-	21,628,196

Notes:-

- (i) **Changes in Statement of Profit and Loss :**
(a) Profit/(Loss) for the year

(Amount in ₹)		(Amount in ₹)	
2015-2016		2014-2015	
Additions	Deductions	Additions	Deductions
11,674,776	-	5,801,842	-
11,674,776	-	5,801,842	-

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 3

(Amount in USD)										
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year 2015-2016	Deductions	Accumulated amortisation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[A] INTANGIBLE ASSETS										
Software Licenses	1,841,982	250,139	307,811	1,784,311	1,699,713	170,124	307,811	1,562,026	222,285	142,270
Total	1,841,982	250,139	307,811	1,784,311	1,699,713	170,124	307,811	1,562,026	222,285	142,270

Note - 3

(Amount in ₹)										
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year 2015-2016	Deductions	Accumulated amortisation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[A] INTANGIBLE ASSETS										
Software Licenses	115,119,289	16,571,112	20,391,679	111,298,723	106,227,797	11,270,302	20,925,189.75	96,572,909	14,725,814	8,891,493
Total	115,119,289	16,571,112	20,391,679	111,298,723	106,227,797	11,270,302	20,925,190	96,572,909	14,725,814	8,891,493

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 4

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
NON-CURRENT INVESTMENTS				
TRADE (UNQUOTED) - at cost				
1 Subsidiaries (Details below)	1,641,311	108,732,758	1,641,311	102,577,841
- Tata Technologies SRL, Romania	1,641,311	108,732,758	1,641,311	102,577,841
	1,641,311	108,732,758	1,641,311	102,577,841

Note - 5

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
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	144,491	9,572,168	561,510	35,092,987
Considered doubtful	-	-	-	-
	144,491	9,572,168	561,510	35,092,987
Less : Allowances for doubtful debts	-	-	-	-
	144,491	9,572,168	561,510	35,092,987
	144,491	9,572,168	561,510	35,092,987

Note - 6

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
CASH AND BANK BALANCES				
(a) Current Account with banks	733,851	48,615,827	153,921	9,619,664
	733,851	48,615,827	153,921	9,619,664

Note - 7

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
OTHER CURRENT ASSETS				
(a) Prepaid expenses	2,233	147,945	296,061	18,503,088
	2,233	147,945	296,061	18,503,088

Cambric Limited, Bahama
Notes forming part of financial statements

Note - 8

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
REVENUE FROM OPERATIONS				
(a) Sale of Services	839,070	55,586,290	847,500	52,966,631
	839,070	55,586,290	847,500	52,966,631

Note - 9

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
OTHER INCOME				
(a) Interest income-Others	875	57,967	11,125	695,285
	875	57,967	11,125	695,285

Note - 10

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Software-internal use	490,197	32,474,354	706,544	44,157,227
(b) Professional Fees	-	-	854	53,390
	490,197	32,474,354	707,398	44,210,617

Note - 11

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
OTHER EXPENSES				
(a) Miscellaneous Expenses	1,024	67,831	5,156	322,220
(b) Rates and Taxes	854	56,593	-	-
(c) Foreign Currency (Gain)/Loss - (Net)	1,516	100,401	-	-
	3,394	224,825	5,156	322,220

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Cambric Limited

Notes forming part of financial statements

Note 12

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, 2016.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2016.

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 \$ = ₹ 66.24750 as on March 31, 2016. 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