Geometric Europe GmbH

FINANCIAL STATEMENT

For the year ended 31st March 2020 and 31st March 2019

Geometric Europe GmbH
Balance Sheet as at 31st March 2020
(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 March 2020 (EUR)	As at 31 March 2019 (EUR)	As at 31 March 2020 Refer note 1(a) (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	**3.1**	63	43	5,199
(b) Right to use assets		1220	-	100,937
(c) Goodwill	**3.2**	1,082	1,082	89,495
(d) Financial Assets				
(i) Investments	**3.8**	2,531	2,531	209,431
(ii) Others	**3.3**	66	60	5,501
(e) Deferred Tax assets (net)		289	-	23,880
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	**3.4**	2,216	3,736	183,354
(ii) Cash and cash equivalents	**3.5 (a)**	2,019	1,618	167,021
(iii) Other bank balances	**3.5 (b)**	-	60	-
(iv) Others	**3.6**	103	318	8,560
(b) Other current assets	**3.7**	246	319	20,335
TOTAL ASSETS		**9,835**	**9,767**	**813,713**
II. EQUITY				
(a) Equity share capital	**3.9**	14,050	14,050	1,162,430
(b) Other equity		(10,748)	(10,448)	(889,332)
Total equity		**3,302**	**3,602**	**273,098**
III. LIABILITIES				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Lease liabilities		1047	-	86,612
(b) Provisions	**3.14**	391	383	32,321
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	**3.10**	2,300	2,050	190,291
(ii) Trade payables	**3.11**	672	1,073	55,653
(iii) Lease liabilities		185	-	15,280
(iii) Others	**3.12**	1,726	1,767	142,947
(b) Other current liabilities	**3.13**	34	82	2,828
(c) Provisions	**3.14**	101	100	8,332
(d) Current tax liabilities (Net)		77	710	6,351
TOTAL EQUITY AND LIABILITIES		**9,835**	**9,767**	**813,713**

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR B S R & Co. LLP
Firm's Registration No.: 101248W/W-100022
Chartered Accountants

RAKESH DEWAN Digitally signed by RAKESH DEWAN Date: 2020.09.05 20:52:17 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 05th September, 2020

For and on behalf of the Board of Directors of Geometric Europe GmbH

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2020.09.05 18:08:03 +05'30'

BEJOY JOSEPH GEORGE Digitally signed by BEJOY JOSEPH GEORGE Date: 2020.09.05 18:08:21 +05'30'

Shiv Walia — **Managing Director**
Bejoy George — **Managing Director**

Date: 05th September, 2020

Geometric Europe GmbH
Statement of Profit and Loss for the year ending 31st March 2020
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020
			(EUR)	(EUR)	(₹)
I	**Revenue**				
	Revenue from operations	**3.15**	9,990	15,928	826,515
	Other income	**3.16**	105	88	8,667
	Total income		**10,095**	**16,016**	**835,182**
II	**Expenses**				
	Employee benefits expense	**3.17**	6,508	7,080	538,431
	Finance costs	**3.18**	175	242	14,464
	Outsourcing costs		3,441	6,334	284,679
	Depreciation and amortization	**3.1, 3.2**	207	25	17,092
	Other expenses	**3.19**	561	1,089	46,514
	Total expenses		**10,892**	**14,770**	**901,180**
III	**Profit before tax**		**(797)**	**1,246**	**(65,998)**
IV	**Tax expense**	**3.20**			
	Current tax		(208)	373	(17,186)
	Deferred tax charge/(credit)		(289)	-	(23,880)
	Total tax expense		(497)	373	(41,066)
V	**Profit for the year**		**(300)**	**873**	**(24,932)**
VI	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss		-	-	-
	Items that will be reclassified subsequently to profit or loss		-	-	-
			-	**-**	**-**
VII	**Total Comprehensive Income for the year**		**(300)**	**873**	**(24,932)**
	Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the financial statements

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Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 05th September, 2020

For and on behalf of the Board of Directors of
Geometric Europe GmbH

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Shiv Walia
Managing Director

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Bejoy George
Managing Director

Date: 05th September, 2020

Geometric Europe GmbH
Statement of Cash flow for the period ending 31st March 2020
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 Refer note 1(a) (₹)
A. Cash flows from operating activities			
Profit/(loss) before tax	(797)	1,246	(65,998)
Adjustment for:			
Depreciation and amortization	207	25	17,092
Provision for doubtful debts	(99)	73	(8,230)
Interest expense	154	232	13,467
Operating profit before working capital changes	**(535)**	**1,576**	**(43,669)**
Movement in Working Capital			
Decrease in trade receivables	1,619	726	133,945
Decrease in other financial assets and other assets	341	384	28,232
Decrease in trade payables	(401)	(2,070)	(33,174)
Decrease in provisions, other financial liabilities and other liabilities	(321)	(166)	(27,114)
Cash generated from operations	**704**	**449**	**58,220**
Direct taxes paid (net of refunds)	(426)	(122)	(35,225)
Net cash flow from operating activities (A)	**278**	**327**	**22,995**
B. Cash flows from investing activities			
Purchase of property,plant and equipment, including capital work in progress and capital advances	(44)	(6)	(3,603)
Net cash flow used in investing activities (B)	**(44)**	**(6)**	**(3,603)**
C. Cash flows from financing activities			
Interest paid	(95)	(23)	(7,847)
Proceeds from short term borrowings	250	3,500	20,684
Repayment of short term borrowings	-	(5,100)	-
Increase(decrease) in principal on lease obligations, net	12	-	955
Net cash flow used in financing activities (C)	**167**	**(1,623)**	**13,792**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	401	(1,302)	33,184
Cash and cash equivalents at the beginning of the year	1,618	2,920	133,837
Cash and cash equivalents at the end of the year as per note 3.6	**2,019**	**1,618**	**167,021**

Summary of significant accounting policies (Note 1)

As per our report of even date.

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Rakesh Dewan
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Membership Number: 092212

Gurugram, India
Date: 05th September, 2020

For and on behalf of the Board of Directors of
Geometric Europe GmbH

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Shiv Walia
Managing Director

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Bejoy George
Managing Director

Date: 05th September, 2020

Geometric Europe GmbH
Statement of Changes in Equity for the year ended 31st March 2020
(All amounts in thousands except share data and as stated otherwise)

(Amount in EUR)

	Equity share capital	Other Equity
Balance as at April 1, 2018	14,050	(11,321)
Profit for the year	-	873
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	-	873
Balance as at March 31, 2019	14,050	(10,448)
Balance as at April 1, 2019	14,050	(10,448)
Profit for the year	-	(300)
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	-	(300)
Balance as at March 31, 2020	14,050	(10,748)

(Amount in ₹)

	Equity share capital	Other Equity
Balance as at April 1, 2019	1,162,430	(864,400)
Profit for the year	-	(24,932)
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	-	(24,932)
Balance as at March 31, 2020	1,162,430	(889,332)

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR B S R & Co. LLP
Firm's Registration No.: 101248W/W-100022
Chartered Accountants

RAKESH DEWAN Digitally signed by RAKESH DEWAN Date: 2020.09.05 20:56:24 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 05th September, 2020

For and on behalf of the Board of Directors of Geometric Europe GmbH

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Shiv Walia
Managing Director

Bejoy George
Managing Director

Date: 05th September, 2020

ORGANIZATION AND NATURE OF OPERATIONS

Geometric Europe GmbH ("the Company") is domiciled in Germany with its headquarters in Munich. The Company was incorporated in July 2008 and is a specialist in the domain of engineering solutions and Software services.

The financial statements for the year ended 31 March 2020 were approved and authorized for issue by the Board of Directors on 05th September,2020.

1. Summary of Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time.) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. The company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The functional currency of the Company is EUR. The translation from EUR to ₹ is included solely for the convenience of readers in India and has been performed using rate of EUR 1 =₹ 82.735, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amount represents, or have been or could be converted into, EUR at that or any other rate.

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets, other financial assets, impact on revenues and costs, impact on leases. However, the actual impact of COVID-19 on the company's financial statements may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

c) Foreign currency and translation

The financial statements of the Company are presented in EUR which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. 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.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquire. For each business combination, the Company measures the non-controlling interest in the acquire at fair value. Acquisition related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

e) Revenue recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a fivestep approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which Company would sell a promised good or service separately to the customer. When not directly observable, we typically estimate standalone selling price by using the expected cost plus a margin approach. We typically establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a Company is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfilment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs incurred in the

initial phases of outsourcing contracts are deferred and recorded as Deferred contract cost and amortized, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being Company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

f) Income taxes

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in Germany and in foreign jurisdictions. Income tax payable in Germany is determined in accordance with the provisions of the (Grundgesetz) The German Constitution. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset

is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.
Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Asset description	Asset life (in years)
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment's	5
Computers	4-5
Furniture and fixtures	7
Vehicles – owned	5
Vehicles – leased	Over the period of lease or 5 years, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

h) Intangibles assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized in proportion to the expected benefits over the estimated useful lives of the assets as mentioned below:

Asset description	Asset life (in years)
Software	3

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

Company as a lessee

Company is lessee in case of office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Effective 1 April 2019, all leases with a term of more than 12 months are recognized as right-of-use assets alongwith associated lease liabilities, in the consolidated balance sheet.

Right-of-use asset represents the Company's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate the

lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Company has elected to not recognize leases with a lease term of 12 months or less in the consolidated balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the consolidated statement of profit and loss. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Company has adopted Ind AS 116, effective 1 April 2019 using the modified retrospective approach which involves recognizing new right-of-use assets and lease liabilities on its consolidated balance sheet. Comparative information has not been adjusted and continues to be reported under Ind AS 17. As a result of the Company's adoption of this new standard, all leases are recorded on the consolidated balance sheet. The Company has also elected the practical expedients, not to reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The Company has used a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract, and to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases").

Impact on financial statements

As a result of adoption of Ind AS 116, the Company recognized additional lease liabilities of EUR 1,403,001 and rights-of-use assets of EUR 1,403,001 as on 1 April 2019.

The weighted average incremental borrowing rate of 2.10% has been applied to lease liabilities recognized in the balance sheet at the date of initial application, in respect of leases classified as operating leases as per Ind AS 17.

The difference between future minimum lease rental commitments against non-cancellable operating leases reported as at 31 March 2019 and lease liability recognized as at 1 April 2019 is primarily due to:

a. inclusion of present value of future minimum lease rental commitments towards operating leases of IT equipment;
b. inclusion of finance lease obligation earlier shown separately; and
c. exclusion of short term lease commitments for which the company has chosen to apply the practical expedient as per the standard.

The following table summarize the impact of adoption of Ind AS 116 on its consolidated financial statements as of 1 April 2019

	As reported 31 March 2019	Adoption of Ind AS 116	Balance as of 1 April 2019
Prepaid expenses (including current and non-current portion)	-	-	-
Right-of-use assets	-	1,403,001	1,403,001
Lease liability (including current and non-current portion)	-	1,403,001	1,403,001

k) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

l) Earning per share

Company is a limited liability company and there is no need to issue share certificates hence there is no need to calculate earning per share.

m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

n) Retirement and other employee benefits

i. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives etc., are recognized as an expense at the undiscounted amount in the statement of profit and loss for the period in which the employee renders the related service.

ii. Post employment benefits

Defined contribution plan:

Social Security contribution:

A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee social security to government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

iii. Compensated absences

The employee can carry-forward a portion of the unutilised accrued compensated absences and utilise it in next three months of service periods or receive cash on termination of employment. Compensated absences are expected to occur within twelve months after the end of the period and are classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services. The Company accrues for liability in respect of compensated absences for the entire available leave balance standing to the credit of the employees at period end. The leave balance eligible for carry-forward is valued at gross compensation cost and the leave balance subject to encashment are accrued at basic pay.

iv. In respect of superannuation, a defined contribution plan for applicable employees, the company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The company has no further obligations to the superannuation plan beyond its contributions.

v. Gratuity Liability

The company provides for gratuity, a defined benefits plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of the employment. The liability is actuarially determined (using the projected unit method) at the end each year.

o) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled receivables, trade and other receivables.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(p) ***Fair value measurement***

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

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Geometric Europe GmbH
Notes to financial statements for the year ended 31st March 2020
(All amounts in thousands except share data and as stated otherwise)

3.1 Property, Plant and Equipment

The changes in the carrying value for the year ended 31st March 2020

	Office Equipment	Computers	Furniture and fittings	Vehicles	Total
	EUR	EUR	EUR	EUR	EUR
Gross block as at 1 April 2019	66	189	63	2	320
Additions	1	43	-	-	44
Gross block as at 31st March 2020	**67**	**232**	**63**	**2**	364
Accumulated depreciation as at 1 April 2019	64	153	58	2	277
Charge for the year	2	19	2	-	24
Accumulated depreciationas at 31st March 2020	**66**	**172**	**61**	**2**	301
Net block as at 31st March 2020	**1**	**60**	**2**	**-**	**63**

The changes in the carrying value for the year ended 31st March 2019

	Office Equipment	Computers	Furniture and fittings	Vehicles	Total
	EUR	EUR	EUR	EUR	EUR
Gross block as at 1 April 2018	65	186	61	2	314
Additions	1	3	2	-	6
Gross block as at 31st March 2019	**66**	**189**	**63**	**2**	320
Accumulated depreciation as at 1 April 2018	62	136	52	2	252
Charge for the year	2	17	6	0	25
Accumulated depreciationas at 31st March 2019	**64**	**153**	**58**	**2**	277
Net block as at 31st March 2019	**2**	**36**	**5**	**-**	**43**

The changes in the carrying value for the year ended 31st March 2020

	Office Equipment	Computers	Furniture and fittings	Vehicles	Total
	(₹)	(₹)	(₹)	(₹)	(₹)
Gross block as at 1 April 2019	5,468	15,671	5,191	204	26,451
Additions	49	3,554	-	-	3,603
Gross block as at 31st March 2020	**5,517**	**19,225**	**5,191**	**204**	**30,054**
Accumulated depreciation as at 1 April 2019	5,320	12,634	4,828	204	22,904
Charge for the year	141	1,608	201	-	1,952
Accumulated depreciationas at 31st March 2020	**5,461**	**14,241**	**5,029**	**204**	**24,855**
Net block as at 31st March 2020	**56**	**4,984**	**162**	**-**	**5,199**

3.2 Goodwill and other Intangible Assets

The changes in the carrying value for the year ended 31st March 2020

	Goodwill	Goodwill
	EUR	(₹)
Gross block as at 1 April 2019	1,082	89,495
Impairment of Goodwill	-	-
Net block as at 31st March 2020	**1,082**	**89,495**

The changes in the carrying value for the year ended 31 March 2019

	Goodwill	Software
	EUR	EUR
Gross block as at 1 April 2019	1,082	28
Impairment of Goodwill	-	-
Gross block as at 31 March 2019	**1,082**	**28**
Accumulated depreciation as at 1 April 2019	-	28
Charge for the year	-	-
Accumulated depreciation as at 31 March 2020	**-**	**28**
Net block as at 31 March 2020	**1,082**	**-**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) , which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31-Mar-20	31-Mar-19
Growth rate (%)	Upto 2%	Upto 2%
Terminal growth rate (%)	1%	1%
Discount rate (%)	3.44%	4.69%

As at 31 March 2020 and 31 March 2019 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The company tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The company has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, growth rates, earnings before interest and taxes, including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

3.3 Other financial assets

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Non - current			
Security deposits	66	60	5,501
	66	**60**	**5,501**

Geometric Europe GmbH
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3.4 Trade Receivable

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Unsecured, considered good (refer note below)	2,216	3,739	183,354
Trade receivables which have significant increase in credit risk	48	130	3,990
Trade receivables - credit impaired		-	
	2,264	3,869	187,345
Impairment allowance for bad and doubtful debts	(48)	(133)	(3,990)
	2,216	**3,736**	**183,354**

Note:
Includes receivables from related parties amounting to EUR 2,003 (INR 165,728/-) and at March 2019 EUR 2,214 .(Refer Note 3.22(d))

3.5 Cash and cash equivalent

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
(a) Cash and cash equivalent			
Balance with banks			
-in current accounts	2,019	1,618	167,021
	2,019	1,618	167,021
(b) Other bank balances			
Deposits with remaining maturity upto 12 months(refer note below)	-	60	-
	2,019	**1,678**	**167,021**

Note:-
1. Pledged with banks as security for guarantees

3.6 Financial Assets - Others

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Carried at amortized cost			
Security deposits	2	9	175
Contract assets	101	309	8,385
	103	**318**	**8,560**

3.7 Other current assets

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Unsecured , considered good			
Advances other than capital advances			
Advances to employees	-	88	-
Advances to suppliers	107	149	8,815
Others			
Prepaid expenses	65	82	5,399
Duties & Taxes Recoverable	60	0	4,989
Other advances	14	-	1,132
	246	**319**	**20,335**

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3.8 Financial Assets - Investments

	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	(EUR)	(EUR)	Amount (`)
Non-current investments - at amortized cost			
Investment in subsidiary companies (unquoted), fully paid up			
24,37,000 equity shares (31 March 2019 : 24,37,000) of EUR 1 each, in Geometric SAS, France	2,437	2,437	201,630
20 equity shares (31 March 2019 : 20) of RON 16.55 each, in Geometric SRL, Romania	94	94	7,801
	2,531	2,531	209,431

3.9 Share Capital

	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	Amount (EUR)	Amount (EUR)	Amount **(₹)**
Equity share capital	14,050	14,050	1,162,430

Terms/ rights attached to equity shares

In the event of liquidation of the company, the share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Shares held by holding/ultimate holding Company and/or their subsidiaries/associates:-

Out of equity shares issued by the Company, shares held by its holding Company are as below:-

	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	Amount (EUR)	Amount (EUR)	Amount **(₹)**
HCL Technologies Limited	14,050	14,050	1,162,430

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	Amount (EUR)	Amount (EUR)	Amount **(₹)**
HCL Technologies limited	100.00%	100.00%	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

3.10 Current borrowings

	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	Amount (EUR)	**(EUR)**	**(₹)**
Unsecured			
From others			
Loan from related party (Refer note 3.22(d))	2,300	2,050	190,291
	2,300	**2,050**	**190,291**

3.11 Trade payables

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Trade payables	38	87	3,170
Trade payables-related parties (Refer Note 3.22(d))	634	986	52,483
	672	**1,073**	**55,653**

3.12 Other financial liabilities

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Carried at amortized cost			
Interest payable- related parties (Refer Note 3.22(d))	722	663	59,760
Accrued salaries and benefits	409	465	33,864
Others			
Liabilities for expenses	515	413	42,670
Liabilities for expenses-related parties (Refer Note 3.22(d))	80	226	6,653
	1,726	**1,767**	**142,947**

3.13 Other current liabilities

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Non - Current			
Contract liablities	4	-	320
Current			
Other payables	15	11	1,228
Advances to employees	15	-	1,280
Withholding and other taxes payable	-	71	-
	34	**82**	**2,828**

3.14 Provisions

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Non-current			
Provision for employee benefits			
Provision for other employee benefits	307	307	25,360
Provision for leave benefits	84	76	6,961
	391	**383**	**32,321**
Current			
Provision for employee benefits			
Provision for leave benefits	101	100	8,332
	101	**100**	**8,332**

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2.16 Revenue from operations

	Year ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Sale of services	9,990	15,928	826,515
	9,990	**15,928**	**826,515**

Disaggregate Revenue Information
The disaggregated revenue from contracts with the customers by contract type is as follows:

	Year ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Contract type			
Fixed price	6,378	9,588	527,649
Time and material	3,612	6,340	298,866
Total	**9,990**	**15,928**	**826,515**
Geography wise			
America	73	20	6,054
Europe	9,629	15,791	796,668
India	230	86	19,000
Others	58	30	4,793
	9,990	**15,928**	**826,515**

Remaining performance obligations
As at 31st March 2020, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was nil. This is after exclusions of below:

a) Contracts for which we recognize revenues based on the right to invoice for services performed,
b) Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or

c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our consolidated balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized

The below table discloses the movement in balances of contract liabilities :

	Year ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Balance as at beginning of the year	-	-	-
Additional amounts billed but not recognized as revenue	4	-	320
Deduction on account of revenues recognized during the year	-	-	-
Balance as at end of the year	**4**	**-**	**320**

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost:

	Year ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Balance as at beginning of the year	0	-	14
Additional amounts billed but not recognized as revenue	0	0	15
Deduction on account of revenues recognized during the year	(0)	-	(14)
Balance as at end of the year	**0**	**0**	**15**

The company has evaluated the impact of COVID-19 resulting from (a) increase in cost budget of fixed price projects due to additional efforts; (b) onerous projects; (c) penalties for not meeting SLAs; (d) volume discounts; (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. We would continue to assess COVID-19 impact as we go along due to uncertainties associated with its nature and duration.

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3.16 Other income

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Exchange differences gain	-	85	-
Provisions no longer required written back	105	3	8,667
	105	**88**	**8,667**

3.17 Employee benefits expense

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Salaries, wages and bonus	5,197	5,894	429,970
Social security contribution	1,029	1,058	85,144
Leave encashment	86	-	7,117
Other welfare expenses	196	128	16,200
	6,508	**7,080**	**538,431**

3.18 Finance cost

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Interest expense	154	232	12,735
Bank charges	12	10	997
Interest on direct taxes	9	-	732
	175	**242**	**14,464**

3.19 Other expenses

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Rent	1	209	108
Repairs and maintenance	-	-	-
- Plant and machinery	8	8	693
- Others	51	53	4,178
Communication costs	66	88	5,484
Travel and conveyance	119	275	9,855
Legal and professional charges	182	186	15,081
Exchange differences loss (net)	60	-	4,999
Insurance	6	23	472
Provision for doubtful debts/ bad debts written off	5	73	437
Miscellaneous expenses	63	174	5,207
	561	**1,089**	**46,514**

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3.20 Income taxes

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Income tax charged to statement of profit and loss			
Current income tax charge	48	373	3,952
Adjustment in respect of prior year current tax	(256)	-	(21,147)
Deferred tax charge (credit)	(289)		(23,880)
	(497)	**373**	**(41,075)**

The reconciliation between the provision for income tax and amount computed by applying the statutory income tax rate is as follows:

	Year Ended		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Profit/(Loss) before income tax	(796)	1,246	(65,883)
Statutory tax rate	29.51%	29.71%	
Expected tax expense	(235)	370	(19,445)
Non deductable expenses	4	3	349
Reversal of prior year provision	(256)	-	(21,147)
Deduction for Branches Tax	(10)	-	(834)
Amount on which no DTA recognised			-
Total taxes	**(497)**	**373**	**(41,077)**
Effective income tax rate	62.47%	29.97%	29.97%

Components of deferred tax assets and liabilities as on 31 March 2020 **Amount in (EUR)**

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Business Loss	-	289	289
Net deferred tax assets		289	289
Deferred tax liabilities			
Depreciation and amortization	-	-	-
Gross deferred tax liabilities (B)		-	-
Net deferred tax assets (A-B)	**-**	**289**	**289**

Components of deferred tax assets and liabilities as on 31 March 2020 **Amount in (₹)**

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Business Loss	-	23,880	23,880
Net deferred tax assets	-	23,880	23,880
Deferred tax liabilities			
Depreciation and amortization	-	-	-
Gross deferred tax liabilities (B)	-	-	-
Net deferred tax assets (A-B)	-	23,880	23,880

3.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. Till previous year, the CODM evaluated the Company's performance by business segments comprising software services, infrastructure management services and business process outsourcing services.

Consequent to the reorganization of its operations due to technological changes and business requirements, effective current year the Company's holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segments.

Due to the reorganization of operations, the ultimate Holding Company effective current year, monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment which is overall a part of the reorganized entity level business segments.
Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".

3.22 Related party transaction

a) Related parties where control exists

Holding company

HCL Technologies Limited

Subsidiaries

Geometric SAS, France
Geometric SRL, Romania

b) Related Party where transactions have taken place during the year

Holding company

HCL Technologies Limited

Subsidiaries

Geometric SAS, France
Geometric SRL, Romania

Fellow Subsidiaries

HCL Technologies Germany
Geometric Americas Inc.
FILIAL ESPAÑOLA DE HCL SL
HCLTechnologies Sweden AB
HCL EAS Limited
HCL Technologies Finland Oy
HCL Technologies B.V.
HCL GmbH
HCL Canada Inc
HCL GREAT BRITAIN Ltd.
HCL Technologies UK Ltd.
HCL Japan Limited

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(All amounts in thousands except share data and as stated otherwise)

c) Transactions with related parties during the normal course of business

Particulars	Sale of Software services			Purchase of Software services		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	230	86	19,029	1,085	3,820	89,768
Subsidiaries	2,611	2,623	216,022	78	174	6,453
Fellow subsidiaries	2,608	827	215,773	248	183	20,518
Grand Total (A+B+C)	**5,449**	**3,536**	**450,824**	**1,411**	**4,177**	**116,739**

Particulars	Interest Expenses			Reimbursement of expenses paid		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	75	189	6,205	**5**	**3**	414
Fellow subsidiaries	27	25	2,234	-	-	-
Grand Total (A+B)	**102**	**214**	**8,439**	**5**	**3**	**414**

Particulars	Short term loan taken			Short term loan repaid		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	-	-	-	-	2,400	-
Fellow subsidiaries	250	3,500	20,684		2,700	-
Grand Total (A+B)	**250**	**3,500**	**20,684**	**-**	**2,703**	**-**

Geometric Europe GmbH
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(All amounts in thousands except share data and as stated otherwise)

d) Outstanding balances

Particulars	Liability For Expenses			Interest Payable		
	As at			As at		
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	80	226	6,652	718	643	59,431
Fellow subsidiaries	-	-	-	4	20	331
Grand Total(A+B)	**80**	**226**	**6,652**	**722**	**663**	**59,762**

Particulars	Trade Receivables			Trade Payable		
	As at			As at		
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	308	136	25,456	571	875	47,256
Subsidiaries	293	1,257	24,241	-	57	-
Fellow subsidiaries	1,402	826	116,031	63	54	5,223
Grand Total(A+B+C)	**2,003**	**2,219**	**165,727**	**634**	**986**	**52,479**

Particulars	Other Receivables			Borrowings			Deferred contract cost		
	As at			As at			As at		
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Holding company	42	-	3,511	1,250	1,250	103,419	-	33	-
Subsidiaries	-	-	-	1,050	800	86,872	-	-	-
Grand Total (A+B)	**42**	**-**	**3,511**	**2,300**	**2,050**	**190,291**	**-**	**33**	**-**

3.23 Operating lease

The company's significant leasing arrangements are in respect of leases for office spaces, accommodation for its employees.

The details of the right-of-use asset held by the company is as follows:

	As on 31st March 2020		
	Building	**Total (EUR)**	**Total (INR)**
Balance as at 1 April 2019	-	-	-
Transition impact of Ind AS 116 (refer note 1(m))	1,403	1,403	**116,078**
Depreciation charge for the year	183	183	**15,141**
Balance as at 31 March 2020	**1,220**	**1,220**	**100,937**

The reconciliation of lease liabilities is as follows:

	Total (EUR)	**Total (INR)**
Balance as at 1 April 2019	-	-
Transition impact of Ind AS 116 (refer note 1(m))	1,403	116,078
Amounts recognized in statement of profit and loss as interest expense	27	2,273
Payment of lease liabilities	199	16,459
Balance as at 31 March 2020	**1,232**	**101,891**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

	As at 31 March 2020 (EUR)	**As at 31 March 2020 (INR)**
Within one year	199	16,459
One to two years	199	16,459
Two to three years	199	16,459
Three to five years	398	32,918
Thereafter	323	26,746
Total lease payments	**1,318**	**109,042**
Imputed interest	86	7,151
Total lease liabilities	**1,232**	**101,891**

Lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases entered by the company are long term in nature and the underlying leased properties are being used as delivery centers or offices. The company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

Geometric Europe GmbH
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3.23 Operating lease(Continued)

The company's significant leasing arrangements are in respect of operating leases for office spaces. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to EUR 1/- (INR 108/-) and in the previous year EUR 209/- . Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended 31 March 2019 (EUR)
Not later than one year	199
Later than one year and not later than 5 years	796
Later than five years	323
Total	**1,318**

3.24 Financial Instruments
Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March, 2020 is as follows:

	Amortized Cost (EUR)	Total Carrying Value (EUR)	Amortized Cost (₹)	Total Carrying Value (₹)
Financial Assets				
Trade Receivables	2,216	2,216	183,354	183,354
Cash and Cash Equivalents	2,019	2,019	167,021	167,021
Investments	2,531	2,531	209,432	209,432
Others (refer note 3.4 and 3.7)	311	311	25,753	25,753
Total	7,077	7,077	585,560	585,560
Financial Liabilities				
Trade Payables	672	672	55,570	55,570
Borrowings	2,300	2,300	190,291	190,291
Others (refer note 3.12)	1,911	1,911	158,115	158,115
Total	4,884	4,884	403,977	403,977

Trade receivables and unbilled receivables have been valued after making reserve for allowances based on the expected credit loss method, considering factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, considering impact of COVID – 19 impact on customers and related customer verticals.

The carrying value of financial instruments by categories as at 31 March, 2019 is as follows:

	As at 31 March 2019	
	Amortized Cost (EUR)	Total Carrying Value (EUR)
Financial Assets		
Trade Receivables	3,736	3,736
Cash and Cash Equivalents	1,618	1,618
Investments	2,531	2,531
Others (refer note 3.4 and 3.7)	378	378
Total	8,263	8,263
Financial Liabilities		
Trade Payables	1,073	1,073
Borrowings	2,050	2,050
Others (refer note 3.12)	1,767	1,767
Total	4,890	4,890

(b) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations.

The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than functional currency. An insignificant portion of the Company's revenue is in other foreign currency while a large protion of costs are in EUR. The fluctuation in exchnges rates in respect to EUR may not have potential impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 8.28/- for the year ended 31 March, 2020.
The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March, 2020 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(EUR)	(EUR)	(EUR)	(EUR)
USD/EUR	53	79	54	1
INR/EUR	4	2	0	0
SEK/EUR	677	-	1,581	-
GBP/EUR	255	263	181	187

Credit risk

Financial instruments that potentially subject the company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled receivables , finance lease receivables. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Balance at the beginning of the year	133	60	10,308
Additional provision during the year		73	-
Deductions on account of write offs and collections	(105)	-	(8,667)
Effect of exchange rates changes	(3)	(1)	(248)
Balance at the end of the year	**25**	**133**	**1,394**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Total	Total
	(EUR)	(EUR)	(EUR)	INR
As at 31 March 2020				
Borrowings	2,300		2,300	190,291
Trade payables	662	-	662	54,755
Lease liabilities	185	1,047	1,232	101,892
Other financial liabilities	1,761	-	1,761	145,664
Total	**4,907**	**1,048**	**5,955**	**492,601**
As at 31 March 2019				
Borrowings	2,050		2,050	
Trade payables	1,073	-	1,073	
Lease liabilities	-		-	
Other financial liabilities	1,767	-	1,767	
Total	**4,890**	**-**	**4,890**	

4. Capital and other commitments

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Capital commitments			
Estimated Amount of unexecuted capital contracts (net of advances)	-	3	-
Total	**-**	**3**	**-**

5.The Company has presented its financial statements in " EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to zero.

As per our report of even date

FOR B S R & Co. LLP
Firm's Registration No.: 101248W/W-100022
Chartered Accountants

RAKESH DEWAN
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Date: 2020.09.05 20:58:28 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 05th September, 2020

For and on behalf of the Board of Directors of
Geometric Europe GmbH

SHIV KUMAR WALIA
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Shiv Walia
Managing Director

BEJOY JOSEPH GEORGE
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Bejoy George
Managing Director

Date: 05th September, 2020