GEOMETRIC AMERICAS INC.

Financial Statements

Year Ended March 31, 2018 and 2019

With Report of Independent Auditors

Geometric Americas, Inc.
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S.R. BATLIBOI & CO. LLP
Chartered Accountants

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Independent auditor's report

To the Board of Directors of Geometric Americas Inc.

We have audited the accompanying special purpose financial statements of Geometric Americas Inc., which comprise the statement of financial position as at March 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis of opinion

We conducted our audit of the special purpose financial statement in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management for the special purpose financial statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with U.S. GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters– Basis of accounting and restriction on use

This report covering the special purpose financial statements of the Company for the year ended March 31, 2019 is intended for the information and use of the board of directors of the Company and HCL Technologies Limited, the ultimate holding company to comply with the financial reporting requirement in India. These financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 2 (a) to the financial statements of the company, which describes the basis of accounting and the related audit covered by the report was carried out following U.S. GAAP. Use of these financial statements or the related audit report for any other purpose will be subject to the above explanation.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Nilangshu Katriar

per **Nilangshu Katriar**
Partner
Membership No. 58814
Place: Gurugram, India
Date: 28th June 2019

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Geometric Americas, Inc.
Balance Sheet
Amount in USD, Except share and per share data

	As at March 31,	
	2018	2019
ASSETS		
Current assets		
Cash and cash equivalents	$4,645,424	$2,550,467
Accounts receivable, net	18,518,509	10,000,523
Unbilled receivables (PY: Unbilled revenue)	3,739,125	3,427,180
Advance income tax ,net	1,172,353	1,455,045
Prepaid expenses	219,859	250,892
Short Term Loan to Group Company	-	9,450,000
Other current assets	84,780	2,109,018
Total current assets	**28,380,050**	**29,243,125**
Deferred income taxes, net	-	360,321
Property and equipment, net	129,127	224,286
Goodwill	2,828,090	2,828,090
Other assets	82,164	135,996
Total assets	**$31,419,431**	**$32,791,818**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$10,253,539	$8,317,377
Short term borrowings from Group Company	-	3,000,000
Accrued employee costs	3,138,296	1,929,558
Contract liabilities (PY: Deferred Revenue)	2,880,673	2,936,412
Other current liabilities	486,273	1,173,911
Total current liabilities	**16,758,781**	**17,357,258**
Contract liabilities (PY: Deferred Revenue)	191,460	44,277
Deferred income taxes, net	33,544	-
Total liabilities	**16,983,785**	**17,401,535**
Shareholders' Equity		
Common stock, no par value. Authorized 10,000 shares; issued and outstanding 1,432 shares as on March 31, 2018 & March 31, 2019 respectively	12,062,771	12,062,771
Additional paid-in capital	276,178	276,178
Retained earnings	2,096,697	3,051,334
Total equity	**14,435,646**	**15,390,283**
Total liabilities and equity	**$31,419,431**	**$32,791,818**

See accompanying notes to the financial statements

Geometric Americas, Inc.

Statement of Income and other comprehensive income

Amount in USD, Except share and per share data

	Year ended March 31,	
	2018	**2019**
Revenues	**$77,606,936**	**$60,410,293**
Cost of revenues (exclusive of depreciation)	69,353,239	52,408,174
Gross profit	**8,253,697**	**8,002,119**
Selling, general and administrative expenses	5,655,554	6,156,117
Depreciation	119,420	66,567
Other income, net	(48,479)	(268,953)
Finance cost	137,137	101,771
Income before income taxes	**2,390,065**	**1,946,617**
Provision for income taxes	159,260	991,980
Net income	**2,230,805**	**954,637**
Other comprehensive income	-	-
Total comprehensive income	**$2,230,805**	**$954,637**
Earnings per share		
Basic	$1,558	$667
Diluted	$1,558	$667

See accompanying notes to the financial statements.

Geometric Americas, Inc.
Statements of Equity
Amount in USD, Except share and per share data

	Common Stock				
	No of Stock	Par Value	Additional paid-in capital	Retained earnings	Total Equity
Balances as at April 1, 2017	**1,432**	**$12,062,771**	**$276,178**	**$(134,108)**	**$12,204,841**
Net income	-	-	-	2,230,805	2,230,805
Balances as at March 31, 2018	**1,432**	**$12,062,771**	**$276,178**	**$2,096,697**	**$14,435,646**

See accompanying notes to the financial statements.

	Common Stock				
	No of Stock	Par Value	Additional paid-in capital	Retained earnings	Total Equity
Balances as at April 1, 2018	**1,432**	**$12,062,771**	**$276,178**	**$2,096,697**	**$14,435,646**
Net income	-	-	-	954,637	954,637
Balances as at March 31, 2019	**1,432**	**$12,062,771**	**$276,178**	**$3,051,334**	**$15,390,283**

See accompanying notes to the financial statements.

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Geometric Americas, Inc.
Statements of Cash Flows
Amount in USD, Except share and per share data

	Year ended March 31,	
	2018	2019
Cash flows from operating activities		
Net income	**$2,230,805**	**$954,637**
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	119,420	66,567
Provision for doubtful accounts, net	428,143	422,940
Deferred income taxes	418,718	(393,865)
Interest expense	-	73,822
Interest income	-	(237,676)
Changes in assets and liabilities		
Accounts receivable and Unbilled receivables	(248,257)	8,406,991
Other assets	(785,964)	(2,161,294)
Accounts payable	2,424,261	(1,936,162)
Contract liabilities	(468,671)	(91,444)
Other liabilities	251,767	(589,519)
Net cash provided by operating activities	**4,370,222**	**4,514,997**
Cash flows from investing activities		
Purchase of property and equipment	(31,674)	(161,728)
Short term loan to group company	-	(9,450,000)
Interest received	-	7,175
Net cash (used in) investing activities	**(31,674)**	**(9,604,553)**
Cash flows from financing activities		
Proceeds from short term borrowings from group company	-	3,000,000
Repayment of short term borrowings	(2,010,489)	-
Interest paid	-	(5,401)
Net cash (used in)/provided by financing activities	**(2,010,489)**	**2,994,599**
Net increase/(decrease) in cash and cash equivalents	2,328,059	(2,094,957)
Cash and cash equivalents at the beginning of the year	2,317,365	4,645,424
Cash and cash equivalents at the end of the year	**$4,645,424**	**$2,550,467**
Supplemental disclosures of cash flow		
Cash payments for interest expenses	$23,010	$5,401
Cash payments for income taxes	$933,000	$1,618,264

See accompanying notes to the financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Geometric Americas, Inc. ("GAI" or "the Company") was incorporated on August 18, 1997 as a Massachusetts corporation. GAI's operations are primarily located in the Midwestern United States, where it is engaged in providing engineering services to major automotive, agricultural, construction equipment manufacturers, and related tier one suppliers. Additionally, GAI provides marketing assistance and promotes software products as well as provides software consultancy services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The accompanying financial statements are prepared on the basis of U. S. generally accepted accounting principles ("U.S. GAAP"). These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

The Company uses the United States Dollar ('$' or 'USD') as its reporting currency.

b) Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to contract cost expected to be incurred to complete software development, allowance for doubtful debts, useful lives of property and equipment, valuation allowance for deferred tax assets, measurement of uncertain tax positions and estimate of future cash flows used in assessing impairment, and provisions for contingencies and litigation. The management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable. The actual amounts may vary from the estimates used in the preparation of the accompanying financial statements. Appropriate changes in the estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes made are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to the financial statements.

c) Functional and foreign currency transactions

The functional currency of the Company is the United States Dollars (USD). Transactions in foreign currency are recorded at an appropriate daily exchange rate. Monetary assets and liabilities denominated in foreign currencies are expressed in the functional currency at the exchange rates in effect at the balance sheet date. Gains or losses resulting from foreign currency transactions are included in the statement of income and other comprehensive income.

d) Revenue recognition

Adoption of new accounting principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (Topic 606). This standard replaces existing revenue recognition guidance with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements.

The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This model involves a five-step process for achieving that core principle, along with comprehensive disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

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The company has pre adopted the new standard as of April 1, 2018 using the modified retrospective transition method. The standard is applied retrospectively only to contracts that are not completed as at the date of Initial application and the comparative information is not restated in the financial statements. The adoption of the standard did not have any material impact on the financial statements of the company.

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a client, 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 contacts, approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, 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 processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed for contracts, in accordance with the practical expedient in ASC 606-10-55-18

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 is 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 total cost to complete exceeds the estimated total revenues that will be generated by the contract and are included in Cost of revenues and classified 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, in accordance with the practical expedient in ASC 606-10-55-18. If 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.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

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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 five step 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 using the guidance for recognizing Software revenue (ASC 606-10-55) and the lease revenue, as amended.

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 are considered as fulfillment cost which are directly related to contract and result in generation or enhancement of resources and are expected to be recoverable under the contract and thereby these contract fulfillment assets 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

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on those contracts utilizing the cost to cost method of revenue recognition. Unbilled receivable represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client.. Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method.

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to expense when incurred. Advances paid for acquisition of property and equipment outstanding at the balance sheet date and the cost of property and equipment not put to use as at such date are disclosed as capital work-in-progress.

Property and equipment are depreciated over the estimated useful life of the asset using the straight-line method, once the asset is put to its intended use. The estimated useful lives of assets are as follows:

Assets	Estimated useful life for assets
Computer hardware	4 -5 years
Software	3 years
Furniture, fixtures and office equipment	5 -7 years
Plant & equipment	10 years

f) Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill is not amortized but is reviewed for impairment annually or more frequently if indicators arise. Goodwill is tested annually on March 31, for impairment, or sooner when circumstances indicate impairment may exist, using a fair-value approach. The fair value used in this evaluation is estimated based upon discounted future cash flow projections. These cash flow projections are based upon a number of estimates and assumptions. No impairment loss was recorded for the Year ended March 31, 2019.

g) Income taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax base of assets and liabilities and their financial reporting amounts at each balance sheet date, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. If it is determined that it is more likely than not that future tax benefits associated with a deferred income tax asset will not be realized, a valuation allowance is provided. The effect on deferred income tax assets and liabilities due to change in the tax rates is recognized in income in the period that includes the enactment date.

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h) Leases

Property and equipment taken on lease are evaluated to determine whether they are capital or operating leases in accordance with Financial Accounting Standard Board's (FASB) guidance on ASC 840, 'Accounting For Leases'.

When substantially all the risks and rewards of property ownership have been transferred to the Company, as determined by the test criteria in FASB's guidance on ASC 840, the lease qualifies as a capital lease. Capital leases are capitalized at the lower of the net present value of the total amount of rent payable under the leasing agreement (excluding finance charges) or the fair market value of the leased asset. Capital lease assets are depreciated on a straight-line basis, over a period consistent with the Company's normal depreciation policy for tangible fixed assets, but not exceeding the lease term. Interest charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation.

Operating lease income and expense is recognized on a straight-line basis over the term of the lease.

i) Employee benefits

The accrual for unutilized leave balance is determined 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.

Compensated absences:

The employees of the company are entitled to compensated absences. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The company measures the expected cost of compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Non-accumulating compensated absences are recognized in the period in which the absences occur.

j) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed in the statement of income and other comprehensive income.

k) Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risks consist principally of accounts receivables. To reduce its credit risk on accounts receivables, the Company performs ongoing credit evaluation of customers.

l) Cash and cash equivalents

The Company considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents comprise cash in hand and balance with banks.

m) Earnings per share

Basic and diluted earnings per share are computed using the weighted average number of equity shares outstanding during the period.

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3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

New accounting pronouncement

In January 2016, the FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01) "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This guidance makes targeted improvements to existing US GAAP for financial instruments, including requiring equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income; requiring entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset and requiring entities to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option. ASU 2016-01 is effective for the year ended March 31, 2020. Early adoption of the own credit provision is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (ASU 2016-02) "Leases (Topic 842)". ASU 2016-02 requires the identification of arrangements that should be accounted for as leases by Lessees. In general, lease arrangements exceeding a twelve month term, must now be recognized as assets and liabilities on the balance sheet of the lessee. Under ASU No. 2016-02, a right-of-use asset and lease obligation will be recorded for all leases, whether operating or financing, while the income statement will reflect lease expense for operating leases and amortization/interest expense for financing leases. The balance sheet amount recorded for existing leases at the date of adoption of ASU No. 2016-02 must be calculated using the applicable incremental borrowing rate at the date of adoption. In addition, ASU No. 2016-02 requires the use of the modified retrospective method, which will require adjustment to all comparative periods presented in the financial statements. The new standard is effective for the year ended March 31, 2021, including interim periods beginning after those annual years. The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements and the implementation approach to be used.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13) "Financial Instruments—Credit Losses" which require a financial asset (or a company of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is to be deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The amendments are effective for the year ended March 31, 2023. including interim periods within those fiscal years. The Company is currently in the process of evaluating the impact that adoption of this standard will have on its financial statements.

In August 2016, the FASB issued Accounting Standards Update No. 2016-15 (ASU 2016-15) "Classification of Certain Cash Receipts and Cash Payments" The amendments in this Update apply to all entities that are required to present a statement of cash flows under Topic 230. The amendments are an improvement to GAAP because they provide guidance for each of the eight issues, thereby reducing the current and potential future diversity in practice. The amendments in this Update are effective for the year ended March 31, 2020. The amendments in this Update should be applied using a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Company is currently in the process of evaluating the impact that adoption of this standard will have on its financial statements.

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In November 2016, the FASB issued Accounting Standards Update No. 2016-18 (ASU 2016-18) "Restricted Cash - Statement of Cash Flows (Topic 230)". Diversity exists in the classification and presentation of changes in restricted cash on the statement of cash flows. This Update requires that the amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update are effective for the year ended March 31, 2020. Early adoption is permitted; any adjustments should be reflected as of the beginning starting first quarter of that year. The amendments in this Update should be applied using a retrospective transition method to each period presented. The Company is currently in the process of evaluating the impact that adoption of this standard will have on its financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04 (ASU 2017-04) "Intangibles—Goodwill and Other (Topic 350)", Simplifying the Test for Goodwill Impairment, which eliminates Step 2 of the goodwill impairment test that had required a hypothetical purchase price allocation. Rather, entities should apply the same impairment assessment to all reporting units and recognize an impairment loss for the amount by which a reporting unit's carrying amount exceeds its fair value, without exceeding the total amount of goodwill allocated to that reporting unit. Entities will continue to have the option to perform a qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendments in this Update are effective for the year ended March 31, 2023. The Company is currently in the process of evaluating the impact that adoption of this standard will have on its financial statements.

In March 2017, the FASB issued Accounting Standards Update No. 2017-07 (ASU 2017-07) "Compensation—Retirement Benefits (Topic 715)", Under generally accepted accounting principles (GAAP), defined benefit pension cost and postretirement benefit cost (net benefit cost) comprise several components that reflect different aspects of an employer's financial arrangements as well as the cost of benefits provided to employees. The amendments in this Update require that an employer disaggregate the service cost component from the other components of net benefit cost. The amendments also provide explicit guidance on how to present the service cost component and the other components of net benefit cost in the income statement and allow only the service cost component of net benefit cost to be eligible for capitalization. The amendments in this Update are considered an important part of the Board's continuing efforts to improve the accounting and presentation related to defined benefit pension or other postretirement benefit plans. The amendments in this Update are effective for the year ended March 31, 2020. The Company is currently in the process of evaluating the impact that adoption of this standard will have on its financial statements.

In August 2018, the FASB issued Accounting Standards Update No. 2018-13 (ASU 2018-13) "Fair vale measurement (Topic 820)". The amendments in this Update apply to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, including the consideration of costs and benefits. The amendments are effective for the year ended March 31, 2021 including interim periods. Early adoption is permitted upon issuance of this Update. The Company is currently in the process of evaluating the impact that the adoption of this standard will have on its financial statements.

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4. CASH AND CASH EQUIVALENTS

As of March 31, 2018 and 2019, cash and cash equivalents comprise the following:

	March 31, 2018	March 31, 2019
Balances with banks	$4,645,424	$2,550,467
	$4,645,424	**$2,550,467**

5. ALLOWANCE FOR ACCOUNTS RECEIVABLE

The Company maintains an allowance for uncollectible receivables based on the trade receivables at the end of the year. Factors considered by the management in determining the adequacy of the allowance includes the present and prospective financial condition of the debtors and the ageing of the trade receivables.

The movement in allowance for accounts receivables is given below:

	March 31, 2018	March 31, 2019
Balance at the beginning of the year	$26,543	$257,573
Additional provision during the year	231,030	446,651
Balance at the end of the year	**$257,573**	**$704,224**

6. SHORT TERM BORROWINGS TO GROUP COMPANY

As of March 31, 2018 and 2019, short term borrowings comprise the following:

	March 31, 2018	March 31, 2019
Loan to group company	-	$9,450,000
	-	**$9,450,000**

7. OTHER CURRENT ASSETS

As of March 31, 2018 and 2019, other current assets comprise the following:

	March 31, 2018	March 31, 2019
Employee advances	$18,557	$55,499
Interest receivable	-	230,501
Deferred contract cost (PY: Deferred cost)	-	1,727,619
Advance to suppliers	-	3,726
Other	66,223	91,673
	$84,780	**$2,109,018**

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8. PROPERTY AND EQUIPMENT, NET

As of March 31, 2018 and 2019, property and equipment comprise the following:

	March 31, 2018	March 31, 2019
Office equipment	$74,660	$74,660
Computer hardware	43,135	203,117
Computer software	55,135	56,887
Furniture and fixtures	142,921	142,920
	$315,851	$477,584
Less: Accumulated depreciation	(186,724)	(253,298)
	$129,127	**$224,286**

Depreciation expense was $119,420 and $66,567 for the year ended March 31, 2018 and 2019 respectively.

9. OTHER ASSETS

As of March 31, 2018 and 2019, other assets comprise the following:

	March 31, 2018	March 31, 2019
Deposits	$82,164	$132,552
Prepaid Expenses	-	3,444
	$82,164	**$135,996**

10. SHORT TERM BORROWINGS FROM GROUP COMPANY

As of March 31, 2018 and 2019, short term borrowings comprise the following:

	March 31, 2018	March 31, 2019
Loan from group company	-	$3,000,000
	-	**$3,000,000**

11. ACCRUED EMPLOYEE COSTS

As of March 31, 2018 and 2019, accrued employee cost comprise the following:

	March 31, 2018	March 31, 2019
Accrued salaries	$1,287,295	$1,170,314
Accrued vacation and holiday pay	1,851,001	759,244
	$ 3,138,296	**$ 1,929,558**

12. OTHER CURRENT LIABILITIES

As of March 31, 2018 and 2019, other current liabilities comprise the following:

	March 31, 2018	March 31, 2019
Accrued expenses	$486,273	$1,103,870
Interest payable	-	68,421
Taxes payable	-	1,620
	$486,273	**$1,173,911**

13. SHAREHOLDER'S EQUITY

The Company has only one class of equity shares. For all matters submitted to vote in the shareholders' meeting, every holder of equity shares, as reflected in the records of the Company shall have one vote in respect of each share held. In the event of liquidation of the affairs of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company after such discharge shall be distributed to the holders of equity shares in proportion to the number of shares held by them. Shares issued at no par value.

14. FAIR VALUE MEASUREMENT

The Company's financial instruments, including cash, accounts receivable and accounts payable, are carried at cost, which approximates their fair value because of the short term maturity of these instruments.

15. RELATED PARTY TRANSACTIONS

Sr. No.	Category of related parties	Names
1	Parent company	HCL Technologies Ltd.
2	Entities under common control	Geometric China, Inc. Geometric Asia Pacific Pte. Limited Geometric SRL, Romania Geometric Europe GmbH, Germany HCL America Inc. HCL Technologies Corporate Services Limited HCL Technologies Mexico HCL Technologies UK Ltd HCL Technologies Luxembourg HCL America Solutions Inc. HCL Great Britain Ltd HCL Poland HCL Axon Solutions Shanghai GAPP Japan

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The transactions entered into by the Company with its related parties are as follows:

Nature of the transaction	Parent company	Entity under common control	Parent company	Entity under common control
	Year ended March 31, 2018		Year ended March 31, 2019	
Transactions during the year:				
Service income	$600,817	$514,012	$2,503,368	$1,998,768
Software service expenses	29,179,119	2,393,274	16,252,808	1,881,634
Commission expense for bank guarantee	30,877	-	-	-
Insurance expense	-	-	11,786	-
Interest income	-	-	-	237,676
Interest Expense	-	-	-	73,822

Balances as at	March 31, 2018		March 31, 2019	
Account payable	$8,857,621	$849,229	$5,134,898	$1,572,703
Accounts receivables	1,852,437	563,313	271,607	1,108,519
Short term loan to group company	-	-	-	9,450,000
Short term loan from group company	-	-	-	3,000,000
Other assets	-	-	1,751,191	230,501
Other liabilities	-	-	870,962	68,421

16. EARNINGS PER SHARE

	Year ended March 31, 2018	Year ended March 31, 2019
Net income as per statement of comprehensive income	$2,230,805	$954,637
Weighted average number of shares outstanding in calculating basic EPS	1,432	1,432
Weighted average number of shares outstanding in calculating dilutive EPS	1,432	1,432
Earnings per equity share		
- Basic	1,558	667
- Diluted	1,558	667

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17. LEASES

The Company conducts operations from leased facilities that are leased under non-cancellable operating leases agreements. Total rent expense under these leases amounted to $572,346 and $ 678,040 for the Year ended March 31, 2018 and 2019 respectively.

Future minimum lease payments under non-cancellable operating leases (with initial or remaining lease terms in excess of one year) as of March 31, 2019 are:

	Future minimum lease payment
Year ending March 31,	$
2020	$648,479
2021	212,380
2022 and thereafter	-

18. REVENUE FROM CONTRACT WITH CUSTOMERS:

A. Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers for the year ended March 31, 2019 by contract type.

Revenues by contract type

	Year Ended March 31, 2019
Fixed price	11,821,630
Time and material	48,588,663
Total	**60,410,293**

Of the above, fixed price revenue, Infrastructure management services and Software services accounts for 0% and 100% respectively. For time and material revenue Software services accounts for 100% revenue.

B. Remaining Performance Obligations

As of March 31, 2019, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of ASC 606 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 in accordance with ASC 606-10-25-14(b), for which the criteria in ASC 60610-32-40 have been met, or
c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

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C. 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 balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivable represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

During the year, out of $ 3,427,180 contract assets as on March 31, 2018, invoicing for 98% has been done and balance is pending for invoicing.

Contract liabilities

A contract liability arises when there is excess billing over the revenue recognized. The below table discloses the significant movement in contract liabilities:

	Year Ended March 31, 2019
Balance as at March 31, 2018	**3,072,133**
Additional amounts billed but not recognized as revenue	408,007
Deduction on account of revenues recognized during the year	499,451
Balance as at March 31, 2019	**2,980,689**

Deferred contract cost

Deferred contract cost represents the contract fulfilment cost and cost for obtaining the contract The below table discloses the significant movement in Deferred contract cost:

	Year Ended March 31, 2019
Balance as at March 31, 2018	-
Additional cost capitalised during the year	1,727,619
Balance as at March 31, 2019	**1,727,619**

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19. OTHER INCOME, NET

For the year ended March 31, 2018 and March 31, 2019, other income, net consists of:

	Year ended	
	March 31, 2018	**March 31, 2019**
Foreign exchange (loss)/gain, net	($34,751)	$31,277
Miscellaneous income	83,280	-
Interest income	-	237,676
	$48,479	**$268,953**

20. INCOME TAXES

Income tax expense attributable to income from continuing operations consists of the following:

	Year ended	
	March 31, 2018	**March 31, 2019**
Current		
Federal tax	$880,836	$1,175,464
State and local tax	83,062	108,589
Other Interest & Penalties	-	31,094
	963,898	1,315,147
Adjustment in respect of prior year current tax	(1,223,358)	70,698
	(259,460)	1,385,845
Deferred		
Federal tax	(131,006)	(357,994)
State and local tax	-	-
	(131,006)	(357,994)
Adjustment in respect of prior year deferred tax	549,726	(35,871)
	418,720	(393,865)
Total tax expense	**$159,260**	**$991,980**

Significant components of activities that gave rise to deferred tax assets and liabilities included in the financial statements are as follows:

	March 31, 2018	**March 31, 2019**
Deferred tax assets:		
Employee accruals	$522,717	$287,046
Accrued expenses	3,639	-
Doubtful debts	-	165,098
Stock based compensation expense	64,565	165,846
Others	177,423	698,792
Total deferred tax assets	**$768,344**	**$1,316,782**

Deferred tax liabilities:

Goodwill	(801,888)	(864,032)
Others	-	(92,429)
Total deferred tax liabilities	**(801,888)**	**(956,461)**
Net deferred tax (liability)/assets	**$(33,544)**	**$360,321**
Deferred tax asset, non-current	$768,344	$1,316,782
Deferred tax liability, non-current	$(801,888)	$(956,461)

No valuation allowance is provided on deferred tax assets. Management believes that the realization of the deferred tax assets is more likely than not based on the expectation that the Company will generate the necessary taxable income in future periods.

The reported income tax expense attributable to income from continuing operations differed from amounts computed by applying the enacted tax rate to income from continuing operations before income-taxes as a result of the following:

	Year ended	
	March 31, 2018	**March 31, 2019**
Profit before income taxes	$2,390,065	$1,946,617
Weighted average enacted tax rate in US	33.56%	23.44%
Computed expected income tax benefit	$802,150	$456,369
Effect of :		
Impact of rate change	(25,700)	-
Permanent differences	18,693	8,550
True up of previous years	(673,633)	34,827
Beat tax	-	461,140
Others	37,750	31,094
Reported income tax expense	**$159,260**	**$991,980**

21. SUBSEQUENT EVENTS

The Company evaluated subsequent events from the balance sheet date through JUNE 28, the date at which the financial statements were available to be issued, and determined that there are no items to disclose.