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GEOMETRIC AMERICAS INC.

Financial Statements

Year Ended March 31, 2017 and 2018

With Report of Independent Auditors

Geometric Americas, Inc.
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Independent auditor's report

To the Board of Directors of Geometric America Inc.

We have audited the financial statements of Geometric America Inc., which comprise the statement of financial position as at March 31, 2018, 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, 2018 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 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 financial statements

Management is responsible for the preparation and fair presentation of the 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 the 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 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 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.
- 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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- 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 financial statements, including the disclosures, and whether the 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

This report covering the financial statements of the Company for the year ended March 31, 2018 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

[CA] Firm Registration Number: 301003E/E300005


per Nilangshu Katriar

Partner

Membership No. 58814

Place: Gurugram, India

Date: July 6, 2018



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

	As at March 31,	
	2017	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$2,317,365	\$4,645,424
Accounts receivable, net	15,192,520	18,518,509
Unbilled revenue	7,245,000	3,739,125
Advance income tax ,net	-	1,172,353
Prepaid expenses	420,973	219,859
Other current assets	265,055	84,780
Total current assets	25,440,913	28,380,050
Deferred income taxes, net	385,174	-
Property and equipment, net	216,873	129,127
Goodwill	2,828,090	2,828,090
Other assets	87,164	82,164
Total assets	\$28,958,214	\$31,419,431
Current liabilities		
Accounts payable	\$7,829,278	\$10,253,539
Deferred revenue	3,409,501	2,880,673
Income taxes payable , net	124,467	-
Accrued employee costs	2,957,580	3,138,296
Short term borrowings	2,010,489	-
Other current liabilities	290,755	486,273
Total current liabilities	16,622,070	\$16,758,781
Deferred revenue	131,303	191,460
Deferred income taxes, net	-	33,544
Total liabilities	\$16,753,373	\$16,983,785
Shareholders' Equity		
Common stock, no par value. Authorized 10,000 shares; issued and outstanding 1,432 shares as on March 31, 2017 & March 31, 2018 respectively	12,062,771	12,062,771
Additional paid-in capital	276,178	276,178
Retained earnings	(134,108)	2,096,697
Total equity	12,204,841	14,435,646
Total liabilities and equity	\$28,958,214	\$31,419,431

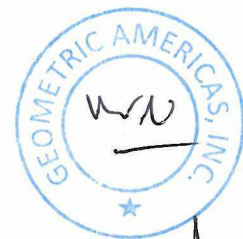
See accompanying notes to the financial statements.



Geometric Americas, Inc.
Statement of Income and other comprehensive income
Amount in USD, Except share and per share data

	Year ended March 31,	
	2017	2018
Revenues	\$83,179,230	\$77,606,936
Cost of revenues (exclusive of depreciation)	66,870,443	69,353,239
Gross profit	16,116,267	8,253,697
Selling, general and administrative expenses	11,587,324	5,655,554
Depreciation	67,296	119,420
Other income, net	(36,362)	(48,479)
Finance cost	148,904	137,137
Income before income taxes	4,541,625	2,390,065
Provision for income taxes	2,105,172	159,260
Net income	2,436,453	2,230,805
Other comprehensive income	-	-
Total comprehensive income	\$2,436,453	\$2,230,805
Earnings per share		
Basic	\$1,701	\$1,558
Diluted	\$1,701	\$1,558

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
Balances as at April 1, 2016	1,432	\$12,062,771	\$210,638	(\$2,570,561)
Net income	-	-	-	2,436,453
Compensation cost related to employee stock option	-	-	65,540	-
Balances as at March 31, 2017	1,432	\$12,062,771	\$276,178	(\$134,108)
				\$9,702,848
				2,436,453
				65,540
				\$12,204,841

See accompanying notes to the financial statements.

Common Stock				
	No of Stock	Par Value	Additional paid-in capital	Retained earnings
Balances as at April 1, 2017	1,432	\$12,062,771	\$276,178	(\$134,108)
Net income	-	-	-	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.

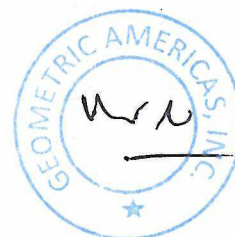


Geometric Americas, Inc.
Statements of Cash Flows
Amount in USD, Except share and per share data

	Year ended March 31,	
	2017	2018
Cash flows from operating activities		
Net income	\$2,436,453	\$2,230,805
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Depreciation and amortization	67,296	119,420
Provision for doubtful accounts, net	23,240	231,030
Bad debts	-	197,113
Deferred income taxes	134,694	418,718
Stock based compensation expense, net	65,540	-
Unrealized foreign exchange loss	55,708	(24,828)
Changes in assets and liabilities		
Accounts receivable and unbilled revenue	560,219	(223,429)
Other assets	3,459,467	(785,964)
Accounts payable	(2,471,764)	2,424,261
Deferred revenue	118,289	(468,671)
Other liabilities	(1,143,357)	251,767
Net cash provided by operating activities	3,305,785	4,370,222
Cash flows from investing activities		
Purchase of property and equipment	(51,100)	(31,674)
Net cash (used in) provided by investing activities	(51,100)	(31,674)
Cash flows from financing activities		
Proceeds from short term borrowings	5,800,000	-
Repayment of short term borrowings	(9,700,000)	(2,010,489)
Net cash used in financing activities	(3,900,000)	(2,010,489)
Net decrease in cash and cash equivalents	(645,315)	2,328,059
Cash and cash equivalents at the beginning of the year	2,962,680	2,317,365
Cash and cash equivalents at the end of the year	\$2,317,365	\$4,645,424
Supplemental disclosures of cash flow		
Cash payments for interest expenses	\$154,998	\$23,010
Cash payments for income taxes	\$725,100	\$933,000

See accompanying notes to the financial statements.

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Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

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 have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

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.

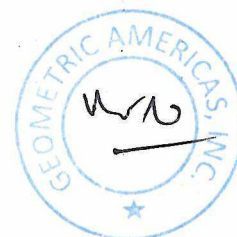
c) Functional and foreign currency transactions

The functional currency of the Company is the United States Dollars (USD). Transactions in foreign currency are recorded at an appropriate daily average 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 comprehensive income/ (loss).

d) Revenue recognition

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time -and- material or fixed price contracts.



Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

Time-and-material contracts:

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to fixed price contracts providing maintenance and support services, is recognized over the term of the contract.

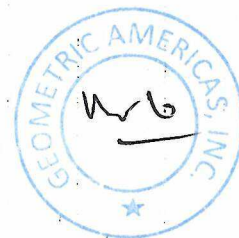
Revenue on fixed price development projects is measured using the proportionate performance method of accounting. Performance is generally measured based upon the cost incurred to date in relation to the total estimated cost to the completion of the contract. The Company monitors estimates of total contract revenues and costs on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract revenues or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. The Company issues invoices related to fixed price contracts based on either the achievement of milestones during a project or other contractual terms. Differences between the timing of billings and the recognition of revenue based upon the proportionate performance method of accounting are recorded as revenue earned in excess of billings or deferred revenue in the accompanying financial statements.

Revenue from maintenance contracts where services are performed through an indefinite number of repetitive acts over a specified period of time is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

Revenue from sale of products is recognized when the significant risks and rewards of ownership have transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue related to other fixed price contracts is recognized in accordance with the proportionate performance method. The input (efforts expended) method is used to measure progress towards completion, as there is a direct relationship between input and productivity. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income 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 accrue liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.



Geometric Americas, Inc.
Notes to the financial statements
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Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output.

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, pricing incentives or advances given to customers are accounted for as a reduction of revenue using the guidance in ASC - 605-50, Accounting for Consideration Given by a Vendor to a Customer (including a Reseller of the Vendor's Products). Volume discount earned and due is reduced from the receivable balance.

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 and software	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, 2018.

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 basis 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. Tax benefits earned on exercise of employee stock options in excess of compensation charged to income are credited to additional paid-in capital. Provision for income taxes also includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties.



Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

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) Earnings Per share

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

j) Impairment of long-lived assets and long-lived assets to be disposed off

In accordance with the provisions of ASC Topic 360, "Accounting for Impairment or Disposal of Long Lived Assets", long-lived assets, other than goodwill, are tested for impairment based on undiscounted cash flows and, if impaired, written down to fair value based on either discounted cash flows or appraised values.

k) 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 Group 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 Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group 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.

l) 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 comprehensive income / (loss).



Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

m) 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.

n) 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.

o) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, using the treasury stock method for options, except where results would be anti-dilutive.

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

New accounting pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers", which will replace most existing revenue recognition guidance in US GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and therefore could affect the timing of revenue recognition for certain transactions of the Company. The ASU will be effective for the year ended March 31, 2020, using either one of two methods: (i) retrospectively to each prior reporting period presented with the option to elect certain practical expedients as defined in the ASU, or (ii) retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application and providing certain additional disclosures as defined in the ASU. Early adoption is permitted for the year ended March 31, 2018. The Company is currently in the process of evaluating the impact of adopting ASU 2014-09 on its financial statements, the implementation approach to be used, changes to its accounting system and processes, and additional disclosure requirements that may be necessary.

In March 2016, the FASB issued Accounting Standards Update No. 2016-08 (ASU 2016-08) "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)". ASU 2016-08 clarifies the implementation guidance on principal versus agent considerations. The amendments in this guidance do not change the core principle of the guidance in Topic 606. The amendments are intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations, including indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customer. The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which is not yet effective. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements of Update 2014-09. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements.

In April 2016, the FASB issued Accounting Standard Update No. 2016-10 (ASU 2016-10), Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing. ASU 2016-10 clarifies the implementation guidance on identifying performance obligations and licensing.

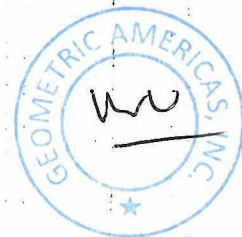


Geometric Americas, Inc.
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The amendments in this guidance are intended to improve the operability and understandability of the licensing implementation guidance. It includes implementation guidance on determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property or a right to access the entity's intellectual property. The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which is not yet effective. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements of Update 2014-09. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements.

In May 2016, the FASB issued Accounting Standard Update No. 2016-12 (ASU 2016-12), Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients. ASU 2016-12 clarifies the implementation guidance on identifying performance obligations and licensing. The amendments in this guidance are intended to improve the operability and understandability of the licensing implementation guidance. It also addresses certain issues in the new revenue recognition guidance on assessing collectability, presentation of sales taxes, noncash consideration, and completed contracts and contract modifications at transition. The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which is not yet effective. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements of Update 2014-09. The Company is currently evaluating the impact that the 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.



Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

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.

4. ACQUISITION OF BUSINESS OF GEOMETRIC LIMITED DURING PREVIOUS YEAR

On 1 April 2016, "HCL Technologies Limited" entered into a composite scheme of arrangement and amalgamation for acquisition of the IT enabled engineering services, PLM ('Product Lifecycle Management') services and engineering design productivity software tools business of "Geometric Limited" by way of demerger through a Court approved scheme of arrangement under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (including those of the Companies Act, 2013).

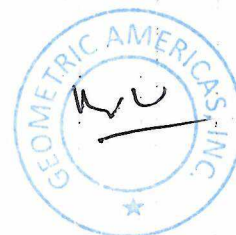
The scheme has come into effect from 2 March, 2017 post all regulatory approvals required for completion of the scheme.

As part of the merger, the investment in the Company by "Geometric Limited" was transferred to "HCL Technologies Limited" and accordingly, w.e.f. 2 March 2017, HCL Technologies Limited became the Holding Company of the Company.

5. CASH AND CASH EQUIVALENTS

As of March 31, 2017 and 2018, cash and cash equivalents comprise the following:

	March 31, 2017	March 31, 2018
Balances with banks	\$2,317,365	\$4,645,424
	<u>\$2,317,365</u>	<u>\$4,645,424</u>



Geometric Americas, Inc.
Notes to the financial statements
Amounts in USD, Except share and per share data

6. 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:

	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Balance at the beginning of the year	\$3,303	\$26,543
Additional provision during the year	23,240	231,030
Deductions on account of write offs & collections	-	-
Balance at the end of the year	<u><u>\$26,543</u></u>	<u><u>\$257,573</u></u>

7. OTHER CURRENT ASSETS

As of March 31, 2017 and 2018, other current assets comprise the following:

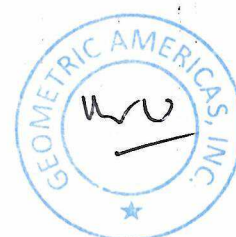
	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Employee advances	\$210,100	\$18,557
Other	54,955	66,223
	<u>\$265,055</u>	<u>\$84,780</u>
Less: Allowance for doubtful advances	-	-
	<u><u>\$265,055</u></u>	<u><u>\$84,780</u></u>

8. PROPERTY AND EQUIPMENT, NET

As of March 31, 2017 and 2018, property and equipment comprise the following:

	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Office equipment	\$506,096	\$74,660
Computer hardware	1,506,587	43,135
Computer software	2,583,994	55,135
Furniture and fixtures	633,208	142,921
	<u>\$5,229,885</u>	<u>\$315,851</u>
Less: Accumulated depreciation	<u>(5,013,012)</u>	<u>(186,724)</u>
	<u><u>\$216,873</u></u>	<u><u>\$129,127</u></u>

Depreciation expense was \$67,296 and \$119,420 for the year ended March 31, 2017 and 2018 respectively.



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Post merge, the company reassessed and revised the useful lives of assets with effect from April 1, 2017. In order to match with the group policies, The existing and revised useful life are as below:

Category of Asset	Existing useful life(Years)	Revised useful life(Years)	Additional Depreciation \$
Computer and networking equipment	3	4 to 5	(2,845)
Software	3	3	47
Furniture, fixtures and office equipment	3-10	5 to 7	43,842
Plant and equipment	3	10	6,144

Had the company continued with the previously assessed useful life, charge for the depreciation for the year ended March 31, 2018 would be reduced by \$47,188, net income would be higher by \$47,188, and basic and diluted earnings per share would be higher by \$32.95 and \$32.95, respectively, for assets held at April 1, 2018.

Below given assets are written off in books due to nil net block value as on 1st April 2017.

Fixed assets details	As at 31 March 2017	
	Fixed assets Value	Accumulated Depreciation \$
Computers	\$1,374,325	\$(1,374,325)
Furniture And Fixture	302,793	(302,793)
Laptop	112,733	(112,733)
Leasehold Improvements-Equipment	107,333	(107,333)
Office Equipment	191,184	(191,184)
Software-Application	2,525,311	(2,525,311)
Grand Total	\$4,613,679	\$(4,613,679)

9. OTHER ASSETS

As of March 31, 2017 and 2018, other assets comprise the following:

	March 31, 2017	March 31, 2018
Deposits	\$87,164	\$82,164
	\$87,164	\$82,164

10. SHORT TERM BORROWINGS

As of March 31, 2017 and 2018, short term borrowings comprise the following:

	March 31, 2017	March 31, 2018
Bank line of credit	\$2,010,489	-
Total	\$2,010,489	-

The revolving credit facility from Citibank has been repaid during the year ended March 31, 2018.



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Notes to the financial statements
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11. ACCRUED EMPLOYEE COSTS

As of March 31, 2017 and 2018, other current assets comprise the following:

	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Accrued salaries	\$1,002,340	\$1,287,295
Accrued vacation and holiday pay	1,955,240	1,851,001
	<u><u>\$2,957,580</u></u>	<u><u>\$ 3,138,296</u></u>

12. OTHER CURRENT LIABILITIES

As of March 31, 2017 and 2018, other current assets comprise the following:

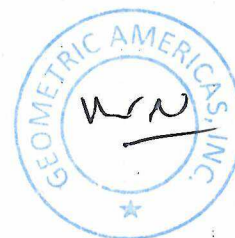
	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Accrued expenses	\$290,755	\$486,273
	<u><u>\$290,755</u></u>	<u><u>\$486,273</u></u>

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.



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15. RELATED PARTY TRANSACTIONS

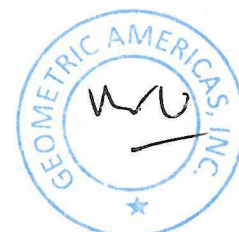
Sr. No.	Category of related parties	Names
1	Parent company	HCL Technologies Ltd.
2	Entities under common control	Geometric China, Inc. Geometric Asia Pacific Pte. Limited Geometric SRL, Romania Geometrics SAS, France Geometric Europe GmbH, Germany HCL America Inc. HCL Technologies Mexico HCL Technologies UK Ltd HCL Technologies Luxembourg

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, 2017		Year ended March 31, 2018	
Transactions during the year:				
Service income	\$403,113	\$43,583	\$600,817	\$514,012
Software service expenses	26,151,214	1,648,628	29,179,119	2,393,274
Commission expense for bank guarantee	140,004	-	30,877	-
Balances as at				
	March 31, 2017		March 31, 2018	
Account payable	\$6,723,307	\$641,729	\$8,857,621	\$849,229
Accounts receivables	1,189,738	513,253	1,852,437	563,313

16. EARNINGS PER SHARE

	Year ended	
	March 31, 2017	March 31, 2018
Net income as per statement of comprehensive income	2,436,453	2,230,805
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	1,701	1,558
- Diluted	1,701	1,558



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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 \$ 593,463 and \$572,346 for the Year ended March 31, 2017 and 2018 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, 2018 are:

	Future minimum lease payment
Year ending March 31,	\$
2019	\$499,856
2020	557,178
2021 and thereafter	191,809

18. OTHER INCOME, NET

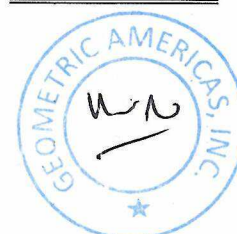
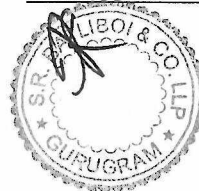
For the year ended March 31, 2017 and March 31, 2018, other income, net consists of:

	Year ended March 31, 2017	March 31, 2018
Foreign exchange gain (loss), net	(108,690)	(34,751)
Miscellaneous income (expense)	145,052	83,280
Other income, net	\$36,362	\$48,479

19. INCOME TAXES

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

	Year ended March 31, 2017	March 31, 2018
Current		
Federal tax	\$1,838,695	\$880,836
State and local tax	131,783	83,062
	\$1,970,478	\$963,898
Adjustment in respect of prior year current tax	-	(1,223,358)
	\$1,970,478	(\$259,460)
Deferred		
Federal tax	108,087	(131,006)
State and local tax	26,607	-
	\$134,694	(\$131,006)
Adjustment in respect of prior year deferred tax	-	549,726
	\$134,694	\$418,720
Total tax expense	\$2,105,172	\$159,260



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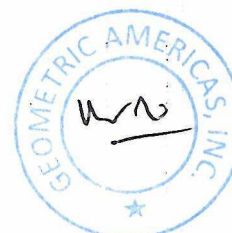
Significant components of activities that gave rise to deferred tax assets and liabilities included in the financial statements are as follows:

	<u>March 31, 2017</u>	<u>March 31, 2018</u>
Deferred tax assets:		
Employee accruals	\$737,598	\$522,717
Accrued expenses	69,370	3,639
Stock based compensation expense	103,014	64,565
Others	274,389	177,423
Total deferred tax assets	<u>\$1,184,371</u>	<u>\$768,344</u>
Deferred tax liabilities:		
Goodwill	(799,197)	(801,888)
Total deferred tax liabilities	<u>(\$799,197)</u>	<u>(\$801,888)</u>
Net deferred tax assets/(liability)	<u>\$385,174</u>	<u>(\$33,544)</u>
Deferred tax asset, non-current	\$1,184,371	\$768,344
Deferred tax liability, non-current	(\$799,197)	(\$801,888)

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:

	<u>Year ended</u> <u>March 31, 2017</u>	<u>March 31, 2018</u>
Profit before income taxes	\$4,541,625	\$2,390,064
Weighted average enacted tax rate in US	34.00%	33.56%
Computed expected income tax benefit	\$1,544,152	\$802,150
Effect of :		
Impact of rate change	-	(25,700)
Permanent differences	-	18,693
True up of previous years	-	(673,633)
Non-deductible expenses	14,632	-
State tax expense, net of federal tax benefit	131,782	-
Others	414,606	37,750
Reported income tax expense	<u>\$2,105,172</u>	<u>\$159,260</u>



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20. EMPLOYEE STOCK COMPENSATION PLANS

As on March 31, 2017, there is no cost remaining un-recognized related to non-vested awards under the ESOP Scheme 2011 plan.

As part of the merger arrangement referred to in note 4, during the previous year, ESOP Plans were accelerated and all employee stock options were vested and exercised by employees. The total accelerated cost during the previous year ended March 2017 relating to employee share based payment plans was \$65,540. The amount is included in additional paid in capital is charged as an expense to the profit and loss account.

21. SUBSEQUENT EVENTS

The Company evaluated subsequent events from the balance sheet date through June 2018, the date at which the financial statements were available to be issued, and determined that there are no items to disclose.

