DWS Pty Limited
Financial Statements (Unaudited)
For the year ended 31 March 2022

DWS Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2022

	31 March 2022 $	1 January 2021 to 31 March 2021 $
Revenue from contract with customers	4,537,497	1,158,027
Cost of sales	(4,450,024)	(1,123,003)
Gross profit	**87,473**	**35,024**
Administrative expenses	(14,756,409)	(3,973,937)
Operating loss	**(14,668,934)**	**(3,938,913)**
Finance costs	(455,025)	(189,460)
Loss before income tax	**(15,123,959)**	**(4,128,373)**
Income tax credit/(expenses)	3,334,646	(1,067,318)
Loss after income tax	**(11,789,313)**	**(5,195,691)**
Other comprehensive income for the year/period (net of tax)	-	-
Total comprehensive loss for the year/period	**(11,789,313)**	**(5,195,691)**

	31 March 2022 $	31 March 2021 $
ASSETS		
Current assets		
Cash and cash equivalents	2,852,859	1,112,954
Trade and other receivables	20,998,098	20,810,911
Contract assets	-	60,817
Short term loan to related entities	38,915,629	40,990,629
Advance tax	268,189	-
Total current assets	63,034,775	62,975,311
Non-current assets		
Goodwill and other intangible assets	18,190,156	27,622,456
Investment in subsidiaries	81,013,787	81,013,787
Total non-current assets	99,203,943	108,636,243
TOTAL ASSETS	**162,238,718**	**171,611,554**
LIABILITIES		
Current liabilities		
Current portion of long term debt	-	11,000,000
Short term borrowings from related entities	114,336,312	87,274,936
Trade and other payables	8,603,240	8,213,140
Contract liabilities	98,777	-
Income tax payable	-	3,097,659
Total current liabilities	123,038,329	109,585,735
Non-current liabilities		
Borrowings from related entities	21,000,500	31,000,000
Deferred tax liabilities	9,607,437	10,644,054
Total non-current liabilities	30,607,937	41,644,054
TOTAL LIABILITIES	**153,646,266**	**151,229,789**
NET ASSETS	**8,592,452**	**20,381,765**
EQUITY		
Contributed equity	29,218,913	29,218,913
Accumulated losses	(20,626,461)	(8,837,148)
TOTAL EQUITY	**8,592,452**	**20,381,765**

Prateek Aggarwal

Sundaram Sridharan
Director
Date: 10 June 2022

Prateek Aggarwal
Director
Date: 10 June 2022

	Contributed equity	Accumulated losses	Total
	$	$	$
At 1st April 2021	29,218,913	(8,837,148)	20,381,765
Loss for the year	-	(11,789,313)	(11,789,313)
Total comprehensive loss for the year	-	(11,789,313)	(11,789,313)
At 31 March 2022	**29,218,913**	**(20,626,461)**	**8,592,452**

	Contributed equity	Accumulated losses	Total
	$	$	$
At 1st January 2021	29,218,913	(3,641,457)	25,577,456
Loss for the period	-	(5,195,691)	(5,195,691)
Total comprehensive loss for the period	-	(5,195,691)	(5,195,691)
At 31 March 2021	**29,218,913**	**(8,837,148)**	**20,381,765**

	31 March 2022 $	31 March 2021 $
Cash flow from operating activities		
Loss before tax for the year/period	(15,123,959)	(4,128,373)
Amortization of intangible assets	9,432,300	3,305,194
Interest on long term loan from bank	145,622	184,396
Interest on long term borrowings from related entities	186,213	1,656
Change in operating assets and liabilities		
Increase in trade & other receivables	(187,188)	(13,395)
Decrease/(increase) in contract assets	60,817	(60,817)
Increase in contract liabilities	98,777	-
Increase/(decrease) in trade & other payables	390,100	(3,625,307)
Cash used in operating activities	**(4,997,317)**	**(4,336,646)**
Tax paid	(1,067,820)	(26,429)
Net cash outflow from operating activities	**(6,065,137)**	**(4,363,075)**
Cash flow from investing activities		
Loan repaid by/(given to) related entities	2,075,000	(50,000)
Net cash inflow/(outflow) from investing activities	**2,075,000**	**(50,000)**
Cash flow from financing activities		
Repayment of long term debt	(11,000,000)	(28,000,000)
Proceeds from short term borrowings from related entities	26,875,164	2,700,300
(Repayment of)/Proceeds from long term borrowings from related entities	(9,999,500)	31,000,000
Interest paid	(145,622)	(184,396)
Net cash inflow from financing activities	**5,730,042**	**5,515,904**
Net increase in cash and cash equivalents	**1,739,905**	**1,102,829**
Cash and cash equivalents at the beginning of the financial year/period	1,112,954	10,125
Cash and cash equivalents at the end of the year	**2,852,859**	**1,112,954**

1 Corporate information

DWS Pty Limited ("the Company") was incorporated and domiciled in Australia. Its registered office is Level 4, 500 Collins Street, Melbourne, VIC 3000, Australia.

The Company is a part of leading Australian IT, business and management consulting group and the suite of solutions provided by Company covers, but not limited to, Digital Transformation, IT, Business and Management Consulting services, Data and Business Analytics, and Robotic Process Automation services. The financial report is presented in the Australian Dollars.

The Company is 100% subsidiary of HCL Australia Services Pty Limited and ultimately controlled by HCL Technologies Limited, which is incorporated in India.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial report has been prepared in accordance with the requirements of Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The Company is a part of Tax consolidated group headed by HCL Australia Services Pty Limited and hence income tax expenses is accounted in head company.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank.

(e) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less an allowance for impairment. Trade receivables are non-interest bearing and are generally due for settlement in range from 30 to 120 days.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(g) Revenue recognition

Revenue from contracts with customers is recognised when the control of goods or services is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. When the contract contains a financing component which provides the Company a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in AASB 15. Revenue from the sale of goods is recognised on the transfer of the control, which generally, coincides with the time of delivery of goods.

Contract balances

- Contract assets

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

- Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract).

(h) Trade and other payables

Trade and other payables are carried at amortized cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and non-interest bearing and are generally paid for settlement in range from 30 to 120 days.

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Goodwill with indefinite useful lives are not amortized but are tested for impairment annually and whenever there is an indication that they may be impaired.

(j) Intangible Assets

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

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalized (Including any other associated costs directly attributable to the borrowing cost and temporary investment income earned on the borrowings.

(l) Financial instruments

Financial assets and financial liabilities are initially recognized on the balance sheet when the Company becomes party to the contractual provisions of the instrument. Recognition is based on the trade date.

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(m) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognized in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulated sick leave are recognized when the leave is taken and are measured at the rates paid or payable.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

4 Subsequent events

Subsequent events are events or transactions that occur after the Balance Sheet date but before the financial statements are issued.

The recent outbreak of COVID19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited as delivery of our services is uninterrupted, and we have currently not witnessed significant changes in demand, whereas our service delivery is intact and our liquidity remains healthy. However, going forward the COVID19 outbreak may negatively impact amongst others our, workforce, operations, and market demand and liquidity. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders.

Management evaluates events occurring subsequent to March 31, 2022 in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through 10 June 2022, which is the date the financial statements were available to be issued.