PT HCL TECHNOLOGIES INDONESIA

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

PT HCL TECHNOLOGIES INDONESIA

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PT HCL Technologies Indonesia
Registered Office: GD One Pacific Place, LT 15 SCBD JL.
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Co. Reg. No.: AHU-40148.AH.01.01 Tahun 2010

DIRECTORS' STATEMENT OF RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023
PT HCL TECHNOLOGIES INDONESIA ("THE COMPANY")

On behalf of the Board of Directors, we, the undersigned:

1.	Name	: Shiv Kumar Walia
	Office Address	: One Pacific Place, LT 15 SCBD, Jl. Jenderal Sudirman KA V 52-53, Senayan, Kebayoran Baru, Jakarta, Selatan, DKI Jakarta 12190
	Function	: President Director
	Office Phone	: +62 21 2550 2550
2.	Name	: Raghu Raman Lakshmanan
	Office Address	: One Pacific Place, LT 15 SCBD, Jl. Jenderal Sudirman KA V 52-53, Senayan, Kebayoran Baru, Jakarta, Selatan, DKI Jakarta 12190
	Function	: Director
	Office Phone	: +62 21 2550 2550

declare that:

1. We are responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures we have made in the financial statements are complete and accurate;
   b. The financial statements do not contain misleading information, and we have not omitted any information or facts that would be material to the financial statements;
4. We are responsible for the internal control of the Company;
5. We are responsible for the Company's compliance with laws and regulations.

17 July 2023

This statement is made truthfully.

SEPULUH RIBU RUPIAH 10000 METERAI TEMPEL 47CC7AJX610226899

Shiv Kumar Walia
President Director

Raghu Raman Lakshmanan
Director

PT HCL TECHNOLOGIES INDONESIA

STATEMENT OF FINANCIAL POSITION

In millions of Rupiah	Notes	31 March 2023	31 March 2022
ASSETS			
CURRENT ASSETS			
Cash in banks		28,210	28,140
Trade and other receivables	4	40,586	31,739
Unbilled receivables	5	8,033	3,865
Finance lease receivables - current	6	5,313	4,153
Inventories		860	709
Prepaid expenses		527	227
Prepaid taxes	18	-	2,310
Advance payments		11	3
Security deposits		51	62
Deferred cost – current	7	7,704	6,030
TOTAL CURRENT ASSETS		91,295	77,238
NON-CURRENT ASSETS			
Fixed assets, net	8	3,030	2,095
Intangible assets and goodwill	9	3,434	3,606
Right of use assets		135	-
Finance lease receivables – non-current	6	6,290	3,292
Refundable taxes		2,446	1,836
Deferred cost – non-current	7	1	5
Deferred tax assets	18	2,715	1,943
Other non-current assets		61	47
TOTAL NON-CURRENT ASSETS		18,112	12,824
TOTAL ASSETS		109,407	90,062

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT HCL TECHNOLOGIES INDONESIA

STATEMENT OF FINANCIAL POSITION (Continued)

In millions of Rupiah	Notes	31 March 2023	31 March 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	10	37,079	35,913
Deferred income	11	12,090	6,061
Lease liabilities		1,436	438
Taxes payable	18	9,168	6,402
TOTAL CURRENT LIABILITIES		59,773	48,814
NON-CURRENT LIABILITIES			
Deferred income	11	855	114
Lease liabilities		1,747	313
Employee benefits obligation	12	1,988	826
TOTAL NON-CURRENT LIABILITIES		4,590	1,253
TOTAL LIABILITIES		64,363	50,067
EQUITY			
Share capital	13	9,074	9,074
Additional paid-in capital	14	1,326	1,326
Retained earnings		34,644	29,595
TOTAL EQUITY		45,044	39,995
TOTAL LIABILITIES AND EQUITY		109,407	90,062

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT HCL TECHNOLOGIES INDONESIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In millions of Rupiah	Notes	Year ended 31 March 2023	2022
Revenue	15	102,422	85,597
Cost of sales	16	(81,539)	(63,362)
Gross profit		20,883	22,235
General and administrative expenses	17	(9,724)	(15,338)
Loss (gain) on foreign exchange, net		(1,509)	104
Other (expenses) income, net		(56)	264
Operating profit		9,594	7,265
Finance income		103	141
Finance costs		(64)	(64)
Net finance income		39	77
Profit before income tax		9,633	7,342
Income tax expenses	18	(4,572)	(4,802)
Profit		5,061	2,540
Other comprehensive (loss) income:			
Changes resulting from actuarial remeasurements of employee benefits obligation		(16)	40
Income tax on other comprehensive (loss) income		4	(9)
Total other comprehensive (loss) income		(12)	31
TOTAL COMPREHENSIVE INCOME		5,049	2,571

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT HCL TECHNOLOGIES INDONESIA

STATEMENT OF CHANGES IN EQUITY

In millions of Rupiah	Share capital	Additional paid-in capital	Retained earnings	Total Equity
Balance as of 31 March 2021	9,074	1,326	27,024	37,424
Profit	-	-	2,540	2,540
Total other comprehensive income	-	-	31	31
Balance as of 31 March 2022	9,074	1,326	29,595	39,995
Profit	-	-	5,061	5,061
Total other comprehensive loss	-	-	(12)	(12)
Balance as of 31 March 2023	**9,074**	**1,326**	**34,644**	**45,044**

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT HCL TECHNOLOGIES INDONESIA

STATEMENT OF CASH FLOWS

In millions of Rupiah	Notes	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		5,061	2,540
Adjustments for:			
Depreciation expense of fixed assets	8	787	1,430
Depreciation right-of-use assets		76	-
Amortization of intangible assets	9	172	239
Income tax expense	18	4,572	4,802
Allowance for impairment losses on trade receivables	4	896	470
Loss on sales of fixed assets		-	1,224
Net finance income		(39)	(77)
Operating profit before working capital changes		11,525	10,628
Changes in working capital:			
Changes in:			
Trade and other receivables		(9,743)	(4,428)
Unbilled receivables		(4,168)	1,646
Lease receivables		(4,158)	638
Inventories		(151)	461
Prepaid expenses		(300)	66
Prepaid taxes		2,310	(1,921)
Refundable taxes		(610)	(1,650)
Advance payments		(8)	-
Security deposits		11	-
Deferred cost		(1,670)	2,184
Other non-current assets		(14)	-
Trade and other payables		1,166	(262)
Taxes payable		2,766	1,599
Employee benefits obligation		1,146	(469)
Deferred income		6,770	141
Lease liabilities		2,511	-
Interest paid		(64)	(70)
Interest received		103	141
Income taxes paid		(5,340)	(5,685)
Net cash flow from operating activities		2,082	3,019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(1,722)	(651)
Acquisition of right-of-use assets		(211)	-
Net cash flow used in investing activities		(1,933)	(651)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of short-term loans		-	(3,268)
Payment of lease liabilities		(79)	(370)
Net cash flow used in financing activities		(79)	(3,638)
NET INCREASE (DECREASE) IN CASH IN BANKS		70	(1,270)
CASH IN BANKS AT BEGINNING OF YEAR		28,140	29,410
CASH IN BANKS AT END OF YEAR		**28,210**	**28,140**

See Notes to the Financial Statements, which form an integral part of these financial statements.

1. GENERAL

PT HCL Technologies Indonesia ("the Company") was established on 28 July 2010.

The Company's office is located at One Pacific Place Building 15th floor SCBD, Jl. Jend. Sudirman Kav. 52-53, South Jakarta.

In accordance with Article 3 of the articles of incorporation, the Company is engaged in software and business process outsourcing services. The Company commenced its commercial operation in June 2011.

The members of the Company's Commissioner and Board of Directors are as follows:

		31 March 2023	31 March 2022
Commissioner	:	Mr. Sundaram Sridharan	Mr. Sundaram Sridharan
President Director	:	Mr. Shiv Kumar Walia	Mr. Shiv Kumar Walia
Director	:	Mr. Raghu Raman Lakshmanan	Mr. Raghu Raman Lakshmanan
Director	:	Mr. Dimitri Arvin Widodo	

2. BASIS OF PREPARATION

a. *Statement of compliance*

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK").

b. The Company's Board of Directors approved the financial statements for issuance on 17 July 2023.

c. *Basis of measurement*

The financial statements are prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

d. *Functional and presentation currency*

The financial statements are presented in millions of Rupiah ("Rp million") which is the Company's functional currency.

e. *Use of judgments, estimates and assumptions*

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2. BASIS OF PREPARATION (Continued)

e. *Use of judgments, estimates and assumptions (Continued)*

(i) Judgments

Information about judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the note 15 – revenue recognition: contractual performance obligations, timing of revenue recognition, revenue classification and determining whether the Company act as an agent or principal.

(ii) Assumptions and estimation uncertainties

Information about the assumptions and estimation uncertainties that may result in material adjustments to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- Note 8 – fixed assets useful lives estimation;
- Note 12 – measurement of employee benefits obligation: actuarial assumptions.

Measurement of fair value: A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data to the extent possible. Fair values are determined using the following hierarchy of inputs used in the valuation techniques for assets and liabilities:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs, other than quoted prices included in Level 1, that are observable, either directly (i.e. price) or indirectly (i.e. derived from other observable price).
- Level 3: inputs that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are drawn from a mixture of different level sources of the fair value hierarchy, then the fair value measurement for the entire class of the asset or liability is considered to have been done using the lowest level input that is significant to the entire measurement (Level 3 being the lowest).

f. *Changes in accounting policies*

(i) Statement of Financial Accounting Standards ("PSAKs") issued but not yet effective

Certain new/revised accounting standards and interpretations have been issued that are not yet effective for the year ended 31 March 2023 and have not been applied in preparing these financial statements. Among them, the following PSAKs, which will become effective for reporting periods beginning on or after 1 April 2023 and 2024, may be relevant to the Company's future financial statements, and may require retrospective application under PSAK No. 25, "Accounting Policies, changes in Accounting Estimates, and Errors":

2. BASIS OF PREPARATION (Continued)

f. *Changes in accounting policies (Continued)*

(i) Statement of Financial Accounting Standards ("PSAKs") issued but not yet effective (Continued)

Effective starting on or after 1 April 2023:

- Amendment to PSAK 16, "Property, Plant and Equipment: Proceeds before Intended Use"
- Classification of liabilities as current or noncurrent (Amendments to PSAK 1).

As of the issuance date of these financial statements, management has not determined the extent of the retrospective impact, if any, that the future adoption of these standards will have on the Company's financial position and operating results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. *Inventory valuation*

Inventories are measured at the lower of cost and net realizable value; cost is determined using the weighted average cost method. Cost procured for specific projects is assigned by specific identification of individual costs of each item.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision for obsolete and slow moving inventory is determined on the basis of estimated future usage or sale of individual inventory items.

b. *Fixed assets*

Fixed assets are measured using the cost model, i.e. initially measured at cost and subsequently carried net of accumulated depreciation and accumulated impairment losses. Depreciation is applied using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	10 years
Office equipment	5 years
Computer	4 - 5 years
Laptop	3 - 4 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. *Intangible assets and goodwill*

Intangible assets are accounted for using the acquisition method. The cost of an acquisition is the aggregate of consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

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

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and recognized in profit or loss. The estimated useful lives of intangible assets are as follow:

Customer relationships	10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Customer related intangibles recognized on acquisition is amortized in the proportion of estimated revenue.

d. *Impairment of non-financial assets*

The carrying amount of each cash-generating unit ("CGU") within non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognized in profit or loss.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

e. *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows, at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, unless the effects of discounting are insignificant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. *Employee benefits*

(i) Post-employment benefits

The obligation for post-employment benefits is calculated at the present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by a qualified actuary using the projected unit credit method.

Gains or losses arising from actuarial remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. The calculation is performed by a qualified actuary, using the projected unit credit method. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise.

g. *Financial instruments*

(i) Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVOCI") or, fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash in banks, trade and other receivables, unbilled receivables and finance lease receivables. These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on derecognition of these financial assets are recognized in profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as either measured-at-amortized cost, or at FVTPL. A FVTPL financial liability is measured as such if it is classified as held-for-trading, if it is a derivative, or if it is designated as measured-at-FVTPL on initial recognition.

Trade and other payables and lease liabilities are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. *Financial instruments (Continued)*

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

In transactions where a financial asset is transferred but the risks and rewards associated with ownership are somehow retained the transferred asset is not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Impairment

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. *Financial instruments (Continued)*

(v) Impairment (Continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount that reflects the lifetime ECL, except for cash in banks for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, wherein the loss allowances are determined based on the 12-month ECL.

Loss allowances for trade and other receivables that are measured at amortized cost, are measured at an amount that represents the lifetime ECL.

h. *Leases*

At inception of a contract, the Company determines if a contract is, or contains, a lease by considering whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. A contract conveys the right to control the use of an identified asset if all of the following conditions are meet:

- the contract involves the use of substantially all of the capacity of an identified asset that is physically distinct (as specified explicitly or implicitly in the contract). If the supplier has a substantive substitution right, then the asset cannot be considered as identifiable;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset: i.e. it has decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements (as described below) of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. *Leases (Continued)*

Lease payments included in the measurement of the lease liability consist of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a changes in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is measured this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's right-of-use assets are presented as "Right of use assets" and lease liabilities are presented as "Lease liabilities" in the statement of financial position.

Short-term leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of the Company's office building premises that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. *Revenue recognition*

Revenue is measured based on the consideration specified in a contract with a customer. The recognizes revenue when it transfers control over a product or services to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Types of products or services	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition policies**
Time and material/ volume based/ Transactions based contracts	Revenue is recognized at point in time. Credit period of 30 to 90 days is allowed from invoice date.	Revenue is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
Fixed price and fixed time frame contracts	Revenue is recognized overtime as and when the services are performed. Credit period of 30 to 90 days is allowed from invoice date.	Revenue is recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (percentage-of-completion (POC) method of accounting).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. *Revenue recognition (Continued)*

Types of products or services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under PSAK 72 (applicable from 1 April 2020)
Licenses for the use of software applications	Revenue is recognized at a point in time for the committed term of the contract. Credit period of 30 to 90 days is allowed from invoice date.	Revenue is recognized at a point in time at the inception of the arrangement when control transfers to the client.
Product and platform	Revenue is recognized at a point in time for the product delivery and services are performed. Credit period of 30 to 90 days is allowed from invoice date.	Revenue is recognized at a point in time at the inception of the arrangement when control transfers to the client and services are performed.

j. *Foreign currency transaction*

Transactions in foreign currencies are translated to the Company's functional currency (Rupiah) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Foreign currency gains or losses on monetary items are comprised of the difference between amortized cost measured in the functional currency at the beginning of the period as adjusted for effective interest and payments during the period, and the amortized cost measured in foreign currency translated at the exchange rate at reporting date.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency gains and losses on retranslation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

k. *Finance income and finance costs*

Finance income comprises interest income on funds invested.

Finance costs comprise interest expense on short-term loan, lease liabilities and fair value losses on financial liabilities carried at fair-value-through-profit-or-loss.

Foreign exchange gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements amount to a net gain or a net loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. *Income tax*

Income tax expense consists of current and deferred income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax expense is the amount of tax paid, or payable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date. Current tax also includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax expense is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This accounting policy also requires the recognition of tax benefits, such as tax loss carry forwards, which are originated in the current period that are expected to be realized in the future periods, to the extent that realization of such benefits is probable.

Deferred tax assets represent the remaining balance of deferred tax benefits that have been originated and utilized through the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of their realization through future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and any additional tax and penalties.

4. TRADE AND OTHER RECEIVABLES

	31 March	
	2023	2022
	Rp million	Rp million
Receivables resulting from revenue generation activities consist of:		
Trade receivables from third parties	31,202	27,031
Trade receivables from related parties (Note 19)	12,059	5,502
	43,261	32,533
Other receivables	-	985
Less: provision for impairment	(2,675)	(1,779)
	40,586	31,739

5. UNBILLED RECEIVABLES

	31 March 2023	31 March 2022
	Rp million	Rp million
Unbilled receivables resulting from revenue generation activities consist of:		
Third parties	3,142	3,736
Related parties (Note 19)	4,891	129
	8,033	3,865

6. FINANCE LEASE RECEIVABLES

The Company has given IT equipment to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	31 March 2023	31 March 2022
	Rp million	Rp million
Lease receivables are to be received as follows:		
Less than one year	5,650	4,253
More than one year and not later than 5 years	6,677	3,557
Total minimum lease payments receivable	12,327	7,810
Interest included in minimum lease payments receivable	(724)	(365)
Present value of minimum lease payments receivable	11,603	7,445
Lease receivables, current portion	(5,313)	(4,153)
Lease receivables, non-current portion	6,290	3,292

7. DEFERRED COST

	31 March 2023	31 March 2022
	Rp million	Rp million
Balance as at beginning of the year	6,035	8,219
Additional cost capitalized during the year	92,377	90,475
Deduction on account of cost amortized during the year	(90,707)	(92,659)
Balance as at end of the year	7,705	6,035
Current portion	(7,704)	(6,030)
Non-current portion	1	5

8. FIXED ASSETS

	Year ended 31 March 2023			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
Cost				
Computer	280	88	-	368
Laptop	3,624	1,634	-	5,258
Machinery	-	-	-	-
Office equipment	-	-	-	-
	3,904	1,722	-	5,626
Asset under constructions	-	-	-	-
	3,904	1,722	-	5,626
Accumulated depreciation				
Computer	(48)	(64)	-	(112)
Laptop	(1,761)	(723)	-	(2,484)
Machinery	-	-	-	-
Office equipment	-	-	-	-
	(1,809)	(787)	-	(2,596)
Carrying amount	**2,095**			**3,030**

	Year ended 31 March 2022			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
Cost				
Computer	539	225	(484)	280
Laptop	5,602	647	(2,625)	3,624
Machinery	43	-	(43)	-
Office equipment	110	-	(110)	-
	6,294	872	(3,262)	3,904
Asset under constructions	23	-	(23)	-
	6,317	872	(3,285)	3,904
Accumulated depreciation				
Computer	(478)	(53)	483	(48)
Laptop	(1,891)	(1,364)	1,494	(1,761)
Machinery	(21)	(3)	24	-
Office equipment	(50)	(10)	60	-
	(2,440)	(1,430)	2,061	(1,809)
Carrying amount	**3,877**			**2,095**

As of 31 March 2023, management has reviewed the estimated useful lives of fixed assets and has found them to be appropriate. The useful lives are based on the estimated period over which future economic benefits will be received by the Company, taking into account any unexpected adverse changes in circumstances or events.

As of 31 March 2023 and 2022, fixed assets were not covered with insurance against fire and other possible losses.

9. INTANGIBLE ASSETS AND GOODWILL

	Year ended 31 March 2023			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
Acquisition cost				
Goodwill arising from business combinations	2,676	-	-	2,676
Customer relationships	1,557	-	-	1,557
	4,233	-	-	4,233
Accumulated amortization				
Customer relationships	(627)	(172)	-	(799)
	(627)	(172)	-	(799)
Carrying amount	**3,606**			**3,434**

	Year ended 31 March 2022			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
Acquisition cost				
Goodwill arising from business combinations	2,676	-	-	2,676
Customer relationships	1,557	-	-	1,557
	4,233	-	-	4,233
Accumulated amortization				
Customer relationships	(388)	(239)	-	(627)
	(388)	(239)	-	(627)
Carrying amount	**3,845**			**3,606**

10. TRADE AND OTHER PAYABLES

	31 March	
	2023	2022
	Rp million	Rp million
Payables arising from purchases of products and services consist of the following:		
Trade payables to third parties	369	247
Trade payables to related parties (Note 19d)	21,449	24,310
	21,818	24,557
Other payables including accrued expenses	15,261	11,356
	37,079	35,913

11. DEFERRED INCOME

	31 March 2023	31 March 2022
	Rp million	Rp million
Balance as at beginning of the year	6,175	6,034
Additional amounts billed but not recognized as revenue	12,812	1,764
Deduction on account of revenues recognized during the year	(6,042)	(1,623)
Balance as at end of the year	12,945	6,175
Current portion	(12,090)	(6,061)
Non-current portion	855	114

12. EMPLOYEE BENEFITS OBLIGATION

In accordance with Indonesian labor regulations, the Company is required to provide certain post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement.

The following table reflects the balance of the obligation for post-employment benefits as of the reporting dates, as well as the movements in the obligation, and the expense recognized during 2023 and 2022:

	Year ended 31 March 2023	Year ended 31 March 2022
	Rp million	Rp million
Movement in the defined benefit obligation		
Defined benefit obligation, beginning of year	826	1,335
Included in profit or loss		
- Current service cost	614	307
- Past service cost (credit)	-	(313)
- Past service cost due to curtailment	-	(491)
- Interest cost	52	28
- Adjustment due to recognition of past services	550	-
Included in other comprehensive income		
Actuarial (gains) losses arising from:		
- financial assumptions	37	(39)
- experience adjustment	(21)	(1)
Others		
- IFRIC adjustment	(70)	-
Defined benefit obligation, end of year	1,988	826

12. EMPLOYEE BENEFITS OBLIGATION (Continued)

Actuarial assumptions

Principal assumptions used in the actuarial calculations were as follows:

	31 March 2023	31 March 2022
Discount rate	7.2% per annum	7.65% per annum
Future salary increase rate	4% per annum	4% per annum

At 31 March 2023, the weighted-average duration of the defined benefit obligation was 17.33 years (2022: 16.11 years).

The discount rate is used in determining the present value of the benefit obligation at valuation date. In general, the discount rate correlates with the yield on high quality zero coupon government bonds that are traded in active capital markets at the reporting date.

The future salary increase assumption projects the benefit obligation starting from the valuation date through the normal retirement age. The salary increase rate is generally determined by applying inflation adjustments to pay scales, and by taking account of the length of service.

Sensitivity analysis

Reasonably possible changes to key actuarial assumptions, would have affected the defined benefit obligation at the reporting date by the following amounts:

	31 March 2023		31 March 2022	
	1% increase	1% decrease	1% increase	1% decrease
	Rp million	Rp million	Rp million	Rp million
Discount rate	(160)	182	(54)	64
Future salary rise	185	(160)	63	(54)

This analysis provides an approximation of the sensitivity of the assumptions shown, but does not take account of the variability in the timing of the distribution of benefit payments expected under the plan.

13. SHARE CAPITAL

The Company's authorized share capital amounted to Rp 13,611 million or USD 1,500,000 (1,500,000 shares at nominal value of Rp 9,074 or USD 1 per share). The Company's issued and paid-up capital amounted to USD 1,000,000 (1,000,000 shares at nominal value of USD 1 per share). The Company's shareholding as of 31 March 2023 and 2022 was as follows:

Stockholders	Number of shares	Percentage of ownership (%)	Par value Rp million
HCL Bermuda Limited	990,000	99	8,983
HCL Singapore Pte. Ltd.	10,000	1	91
Total	1,000,000	100	9,074

14. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents foreign exchange fluctuations from share capital payments resulted from the difference between the share capital payments effected in US Dollar at the exchange rate on the date of capital contribution, and the exchange rate specified in the Company's articles of association for translating the nominal value of shares (Rp 9,074/USD).

15. REVENUE

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
Major products/service		
Sales of products	9,543	6,802
Rendering of services	92,879	78,795
	102,422	85,597
Timing of revenue recognition		
Products transferred at a point in time	9,543	6,802
Products and services transferred over time	92,879	78,795
	102,422	85,597

16. COST OF SALES

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
Consultancy (Note 19g)	40,326	30,011
Salaries and wages	28,209	27,737
Material cost	11,501	4,892
Project expenses	509	184
Others	994	538
Total	81,539	63,362

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
Professional charges	3,135	5,664
Depreciation (Note 8)	787	1,430
Bad debts	711	428
Amortization (Note 9)	172	239
Depreciation right-of-use assets	76	-
Other expenses	4,843	7,577
Total	9,724	15,338

18. TAXATION

a. Prepaid taxes consist of the following:

	31 March 2023	31 March 2022
	Rp million	Rp million
Value added tax, net	-	2,310
	-	2,310

b. Taxes payable consist of:

	31 March 2023	31 March 2022
	Rp million	Rp million
Value added taxes	277	-
Withholding taxes	8,668	6,176
Income tax installments, article 25	223	226
	9,168	6,402

c. The components of income tax recognized in profit or loss are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
	Rp million	Rp million
Current tax expense:		
Current year	2,731	3,957
Adjustments to prior years' tax expense	2,609	1,728
	5,340	5,685
Deferred tax benefit:		
Origination and reversal of temporary differences	(768)	(883)
	(768)	(883)
	4,572	4,802

d. Income tax expense is reconciled with profit before tax as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
	Rp million	Rp million
Profit before income tax	9,633	7,342
Statutory tax rate	22%	22%
	2,119	1,615
Non-deductible expenses	(156)	1,459
Adjustments to prior years' income tax expense	2,609	1,728
Income tax expense	4,572	4,802

18. TAXATION (Continued)

e. Recognized deferred tax balances, and the movement thereof during the year were comprised of the following:

	31 March 2022	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2023
	Rp million			
Deferred tax assets (liabilities):				
Provision for decline in inventory value	22	60	-	82
Employee benefits obligation	858	315	4	1,177
Provision for impairment loss on trade receivables	393	197	-	590
Fixed assets	373	(221)	-	152
Other provisions	254	420	-	674
Bonus	43	(3)	-	40
	1,943	768	4	2,715

	31 March 2021	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2022
	Rp million			
Deferred tax assets (liabilities):				
Provision for decline in inventory value	81	(59)	-	22
Employee benefits obligation	330	537	(9)	858
Provision for impairment loss on trade receivables	289	104	-	393
Fixed assets	85	288	-	373
Other provisions	169	85	-	254
Bonus	115	(72)	-	43
	1,069	883	(9)	1,943

The temporary difference that gives rise to the deferred tax asset for the provision for impairment of trade receivables does not expire, however before such provision can be deductible there must be evidence that the receivables are written off, i.e. they must be proven as uncollectible balances.

f. Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company’s tax positions may be challenged by the tax authorities. The Company’s tax positions are formed on sound technical bases, in compliance with the tax regulations. Accordingly, management believes that no accruals for potential income tax liabilities is necessary. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

g. In October 2021, Law No. 7/2021 amended the previously promulgated Law No. 2/2020, and thereby changed the statutory tax rate applicable for 2022 onwards from 20% to 22%.

19. RELATED PARTIES

The Company is part of HCL Technologies Limited, India, which have subsidiaries around the world.

The significant related parties transactions and balances are as follows:

(a) Trade receivables from related parties as of 31 March 2023 and 2022 consist of (Note 4):

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	1,863	26
Entities under common control	10,196	5,476
	12,059	5,502

(b) Unbilled receivables from related parties as of 31 March 2023 and 2022 consist of (Note 5):

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	-	20
Entities under common control	4,891	109
	4,891	129

(c) Deferred cost from related parties as of 31 March 2023 and 2022 consist of:

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	7,700	6,025

(d) Trade payables to related parties as of 31 March 2023 and 2022 consist of (Note 10):

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	6,477	17,752
Entities under common control	14,972	6,558
	21,449	24,310

(e) Accrued expenses payable to related parties as of 31 March 2023 and 2022 consist of:

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	4,587	5,520
Entities under common control	846	288
	5,433	5,808

19. RELATED PARTIES (continued)

(f) Deferred income from related party as of 31 March 2023 and 2022 consist of:

	31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	1,237	-
Entities under common control	4,588	-
	5,825	-

(g) Consultancy fees charged by related parties for years ended 31 March 2023 and 2022 consist of (Note 16):

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	31,606	23,117
Entities under common control	8,720	6,894
	40,326	30,011

Consultancy fees charged by HCL Technologies Limited relate to a Master Service Agreement dated 28 October 2015. Bases on the agreement, HCL Technologies Limited agrees to provide various consultancy services to the Company. The agreement shall be deemed to have taken effect from the effective date of 1 July 2014 and shall continue thereafter until terminated at any time by both parties.

(h) Interest on loan charged by related parties for years ended 31 March 2023 and 2022 consist of:

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
Entities under common control	-	20
	-	20

(i) Software income from related parties for years ended 31 March 2023 and 2022 consist of:

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
The ultimate parent	693	315
Entities under common control	19,010	8,346
	19,703	8,661

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company's financial assets and liabilities are expected to be realized, or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Financial risk management

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk principally arises from trade receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables and unbilled receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company minimizes its exposure to credit risk of trade receivables and unbilled receivables by assessing and monitoring the credit worthiness of customers. The exposure is also further limited by mandating payment terms of no longer than 90 days and by actively enforcing collection from customers prior to the due date.

The Company's most significant customer, Allianz SE (a financial services providers), accounts for Rp 6,877 million of the trade receivables carrying amount at 31 March 2023 (2022: Rp 9,608 million).

An analysis of the credit quality of trade receivables and unbilled receivables is summarized below:

	2023	2022
	Carrying amount	Carrying amount
	Rp million	Rp million
Not past due	36,432	21,189
Past due 1 – 30 days	3,015	7,346
Past due 31 – 120 days	4,910	1,519
Past due 121 – 365 days	2,670	4,565
Past due more than one year	1,592	-
	48,619	34,619

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (Continued)

Credit risk (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and unbilled receivables as at 31 March 2023 and 31 March 2022

	Year ended 31 March 2023		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		Rp million	Rp million
Not past due	0.55%	36,633	201
Past due 1 – 30 days	3.09%	3,111	96
Past due 31 – 120 days	5.50%	5,196	286
Past due 121 – 365 days	21.41%	3,397	727
Past due more than one year	46.16%	2,957	1,365
		51,294	2,675

	Year ended 31 March 2022		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		Rp million	Rp million
Not past due	0.20%	21,220	31
Past due 1 – 30 days	0.85%	7,409	63
Past due 31 – 120 days	1.66%	1,545	26
Past due 121 – 365 days	10.91%	5,124	559
Past due more than one year	100%	1,100	1,100
		36,398	1,779

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Year ended 31 March	
	2023	2022
	Rp million	Rp million
Balance at 1 April	1,779	1,309
Net measurement of loss allowance	896	470
Balance at 31 March	2,675	1,779

Cash in banks

The Company's cash in banks are deposited at reputable banks that are subject to tight regulations, therefore, the exposure to loss is minimized.

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages this liquidity risk by on-going monitoring of the projected and actual cash flows.

The Company aims to maintain the level of its cash in banks at an amount in excess of expected cash outflows on financial liabilities over the next 60-90 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. As of 31 March 2023, the expected cash inflows from trade and other receivables maturing within 60 - 90 days were Rp 52,333 million (2022: Rp 39,184 million) and the expected cash outflows from trade and other payables due within 60 - 90 days were Rp 37,079 million (2022: Rp 35,911 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments:

		Contractual cash flows		
	Carrying amount	Total	Within 1 year	1 – 3 years
31 March 2023	Rp million	Rp million	Rp million	Rp million
Financial liabilities				
Trade and other payables	37,079	37,079	37,079	-
Lease liabilities	3,183	3,366	1,543	1,823
	40,262	40,445	38,622	1,823

		Contractual cash flows		
	Carrying amount	Total	Within 1 year	1 – 3 years
31 March 2022	Rp million	Rp million	Rp million	Rp million
Financial liabilities				
Trade and other payables	35,913	35,913	35,913	-
Lease liabilities	751	780	460	320
	36,664	36,693	36,373	320

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company’s income or the value of its financial instruments. The objective of market risk management is to maintain market risk exposures within acceptable parameters, while optimizing the return.

20.FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (Continued)

Market risk (Continued)

Currency risk

The Company is exposed to fluctuating foreign exchange rates, from currencies other than the Company's functional currency (Rupiah) on fund invested in banks, primarily US Dollar. The Company manages this risk by buying or selling US Dollar at spot rates, when necessary.

The Company's net exposure to currency risk is as follows:

In US Dollar	2023	2022
Financial assets/**Net exposure**	587,035	94,058

At reporting dates, balances of monetary assets and liabilities denominated in US Dollar are translated into Rupiah using the prevailing exchange rates, which were Rp 14,996/US Dollar at 31 March 2023 and Rp 14,363/US Dollar at 31 March 2022.

A strengthening/weakening of the Rupiah, as indicated below, against the US Dollar at 31 March 2023 and 2022 would have (decreased) increased equity and profit after income tax by the amounts shown below. This analysis is based on US Dollar rate variances that management considers as being reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Impact on equity / profit after income tax
	Rp million
31 March 2023	
2 percent strengthening/weakening of Rupiah	137
31 March 2022	
2 percent strengthening/weakening of Rupiah	21

Capital risk management

The Company manages capital with the objective of being able to continue as a going concern and sustaining its ability to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to minimize the effective cost of capital. This objective is achieved by limiting the amounts of dividends and by optimizing debt levels.

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Independent Auditors' Report

No.: 00492/2.1005/AU.1/05/1082-4/1/VII/2023

The Shareholders,
Commissioner and Board of Directors
PT HCL Technologies Indonesia:

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of PT HCL Technologies Indonesia ("the Company"), which comprise the statement of financial position as of 31 March 2023, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 the Standards on Auditing 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 the Standards on Auditing, 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.

- 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 auditors' 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 auditors' 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 those charged with governance 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.

Siddharta Widjaja & Rekan
Registered Public Accountants

Jlazuardi

Jongky Titus Lazuardi, S.E., CPA
Public Accountant License No. AP. 1082

17 July 2023