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

Project Assured 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	70,011,306	14,634,906
Cost of sales	(45,235,171)	(9,829,934)
Gross profit	**24,776,135**	**4,804,972**
Selling and distribution expenses	-	(22,330)
Administrative expenses	(6,837,558)	(913,266)
Operating profit	**17,938,577**	**3,869,376**
Other income	7,275	2,372
Finance costs	(13,062)	(8)
Profit before income tax	**17,932,790**	**3,871,740**
Income tax expenses	-	-
Profit after income tax	**17,932,790**	**3,871,740**
Other comprehensive income for the year/period (net of tax)	-	-
Total comprehensive income for the year/period	**17,932,790**	**3,871,740**

Project Assured Pty Limited
Statement of financial position
As at 31 March 2022

	31 March 2022	31 March 2021
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	6,253,420	3,285,135
Trade and other receivables	8,252,291	5,960,724
Contract assets	251,494	255,248
Short term loan to related entities	42,500,000	27,000,000
Total current assets	57,257,205	36,501,107
Non-current assets		
Right-of-use assets	257,431	429,667
Property, plant and equipment	454,672	561,922
Goodwill	473,877	473,877
Total non-current assets	1,185,980	1,465,466
TOTAL ASSETS	**58,443,185**	**37,966,573**
LIABILITIES		
Current liabilities		
Trade and other payables	8,181,227	5,899,889
Amount due to related entities	19,816,315	19,816,315
Contract liabilities	511,930	529,557
Accrued employee costs	1,040,436	773,506
Lease liabilities	175,822	25,712
Income tax payable	5,932	2,946
Total current liabilities	29,731,662	27,047,925
Non-current liabilities		
Accrued employee costs	460,113	299,449
Lease liabilities	225,580	526,159
Total non-current liabilities	685,693	825,608
TOTAL LIABILITIES	**30,417,355**	**27,873,533**
NET ASSETS	**28,025,830**	**10,093,040**
EQUITY		
Contributed equity	200,000	200,000
Retained earnings	27,825,830	9,893,040
TOTAL EQUITY	**28,025,830**	**10,093,040**

Prateek Aggarwal

Sundaram Sridharan
Director
Date: 10 June 2022

Prateek Aggarwal
Director
Date: 10 June 2022

	Contributed equity	Retained earnings	Total
	$	$	$
At 1st April 2021	200,000	9,893,040	10,093,040
Profit for the year	-	17,932,790	17,932,790
Total comprehensive income for the year	-	17,932,790	17,932,790
At 31 March 2022	200,000	27,825,830	28,025,830

	Contributed equity	Retained earnings	Total
	$	$	$
At 1st January 2021	200,000	6,021,300	6,221,300
Profit for the period	-	3,871,740	3,871,740
Total comprehensive income for the period	-	3,871,740	3,871,740
At 31 March 2021	**200,000**	**9,893,040**	**10,093,040**

	31 March 2022 $	31 March 2021 $
Cash flow from operating activities		
Profit before tax for the year/period	17,932,790	3,871,740
Depreciation & amortization	117,833	33,386
Depreciation on right of use assets	172,236	7,515
Interest income	(1,108)	-
Interest on lease liabilities	12,335	-
Change in operating assets and liabilities		
Increase in trade & other receivables	(2,291,567)	(429,352)
Decrease/(increase) in contract assets	3,754	(170,782)
Decrease in contract liabilities	(17,627)	(129,062)
Increase in accrued employee costs	427,594	21,908
Increase/(decrease) in trade & other payables	2,281,339	(664,523)
Cash Flow from operating activities	**18,637,579**	**2,540,830**
Tax refund/(paid)	2,984	(21,548)
Net cash inflow from operating activities	**18,640,563**	**2,519,282**
Cash flow from investing activities		
Loan to related entities	(15,500,000)	(2,000,000)
Purchase of property, plant and equipment	(10,582)	(2,822)
Interest income	1,108	-
Net cash outflow from investing activities	**(15,509,474)**	**(2,002,822)**
Cash flows from financing activities		
Payment of lease liabilities including interest	(162,804)	(33,806)
Net cash outflow from financing activities	**(162,804)**	**(33,806)**
Net increase in cash and cash equivalents	**2,968,285**	**482,654**
Cash and cash equivalents at the beginning of the financial year/period	3,285,135	2,802,481
Cash and cash equivalents at end of the year	**6,253,420**	**3,285,135**

1 Corporate information

Project Assured 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 DWS Pty Limited (wholly owned 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.

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.

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.

(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. Trade payables are 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) 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.

(l) 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.

(m) 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.

(n) 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.

(o) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company is lessee in case of office space, accommodation for its employees & IT equipment. Right-of-use asset represents the Company’s right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company’s incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed.

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 Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the Balance Sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the Balance Sheet but arose after the Balance Sheet date and before financial statements are available to be issued.

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.