

# **PT HCL TECHNOLOGIES INDONESIA**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

## **PT HCL TECHNOLOGIES INDONESIA**

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INDEPENDENT AUDITORS' REPORT

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

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2024  
PT HCL TECHNOLOGIES INDONESIA ("THE COMPANY")**

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

1. Name : Shiv Kumar Walia  
Office Address : 15th floor One Pacific Place, SCBD,  
Jl. Jenderal Sudirman No 52-53, Senayan,  
Kebayoran Baru, South Jakarta, DKI Jakarta 12190  
Function : President Director  
Office Phone : +62 21 2550 2550
  
2. Name : Raghu Raman Lakshmanan  
Office Address : 15th floor One Pacific Place, SCBD,  
Jl. Jenderal Sudirman No 52-53, Senayan,  
Kebayoran Baru, South Jakarta, 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 Company's internal control;
5. We are responsible for the Company's compliance with laws and regulations.

8 July 2024

This statement is made truthfully.

(signature)

(Stamp duty)

(signature)

Shiv Kumar Walia  
President Director



Raghu Raman Lakshmanan  
Director

# PT HCL TECHNOLOGIES INDONESIA

## STATEMENT OF FINANCIAL POSITION

<i>In millions of Rupiah</i>	Notes	31 March	
		2024	2023
<b>ASSETS</b>			
<b><u>CURRENT ASSETS</u></b>			
Cash in banks	4	30,520	28,210
Trade and other receivables	5	52,345	40,586
Unbilled receivables	6	4,075	8,033
Finance lease receivables - current	7	3,923	5,313
Inventories		4,665	860
Prepaid expenses		588	527
Advance payments		36	11
Security deposits		60	51
Other current assets		1,874	-
Deferred cost – current	8	12,131	7,704
<b>TOTAL CURRENT ASSETS</b>		<b>110,217</b>	<b>91,295</b>
<b><u>NON-CURRENT ASSETS</u></b>			
Fixed assets, net	9	1,419	3,030
Intangible assets and goodwill	10	3,270	3,434
Right of use assets		30	135
Finance lease receivables – non-current	7	3,800	6,290
Refundable taxes		4,957	2,446
Deferred cost – non-current	8	224	1
Unbilled receivables – non-current	6	161	-
Deferred tax assets	19	3,775	2,715
Other non-current assets		61	61
<b>TOTAL NON-CURRENT ASSETS</b>		<b>17,697</b>	<b>18,112</b>
<b>TOTAL ASSETS</b>		<b>127,914</b>	<b>109,407</b>

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

**PT HCL TECHNOLOGIES INDONESIA**  
**STATEMENT OF FINANCIAL POSITION (Continued)**

<i>In millions of Rupiah</i>	<u>Notes</u>	<b>31 March</b>	
		<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND EQUITY</b>			
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	11	46,733	37,079
Deferred income	12	9,544	12,090
Lease liabilities		1,369	1,436
Taxes payable	19	8,691	9,168
<b>TOTAL CURRENT LIABILITIES</b>		<u>66,337</u>	<u>59,773</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Deferred income	12	293	855
Lease liabilities		837	1,747
Employee benefits obligation	13	2,188	1,988
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,318</u>	<u>4,590</u>
<b>TOTAL LIABILITIES</b>		<u>69,655</u>	<u>64,363</u>
<b><u>EQUITY</u></b>			
Share capital	14	9,074	9,074
Additional paid-in capital	15	1,326	1,326
Retained earnings		47,859	34,644
<b>TOTAL EQUITY</b>		<u>58,259</u>	<u>45,044</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>127,914</u>	<u>109,407</u>

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

<i>In millions of Rupiah</i>	Notes	Year ended 31 March	
		2024	2023
Revenue	16	134,806	102,422
Cost of revenue	17	(109,805)	(81,539)
Gross profit		25,001	20,883
General and administrative expenses	18	(9,752)	(9,724)
Loss on foreign exchange, net		(1,048)	(1,509)
Other expenses, net		(149)	(56)
Operating profit		14,052	9,594
Finance income		344	103
Finance costs		(106)	(64)
Net finance income		238	39
Profit before income tax		14,290	9,633
Income tax expense	19	(1,038)	(4,572)
Profit		13,252	5,061
Other comprehensive loss:			
Changes resulting from actuarial remeasurements of employee benefits obligation		(47)	(16)
Income tax on other comprehensive loss		10	4
Total other comprehensive loss		(37)	(12)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>13,215</b>	<b>5,049</b>

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

## PT HCL TECHNOLOGIES INDONESIA

### STATEMENT OF CHANGES IN EQUITY

<i>In millions of Rupiah</i>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Total Equity</u>
<b>Balance as of 31 March 2022</b>	<b>9,074</b>	<b>1,326</b>	<b>29,595</b>	<b>39,995</b>
Profit	-	-	5,061	5,061
Total other comprehensive loss	-	-	(12)	(12)
<b>Balance as of 31 March 2023</b>	<b>9,074</b>	<b>1,326</b>	<b>34,644</b>	<b>45,044</b>
Profit	-	-	13,252	13,252
Total other comprehensive loss	-	-	(37)	(37)
<b>Balance as of 31 March 2024</b>	<b>9,074</b>	<b>1,326</b>	<b>47,859</b>	<b>58,259</b>

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

# PT HCL TECHNOLOGIES INDONESIA

## STATEMENT OF CASH FLOWS

<i>In millions of Rupiah</i>	Notes	Year ended 31 March	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit		13,252	5,061
Adjustments for:			
Depreciation expense of fixed assets	9	870	787
Depreciation right-of-use assets		106	76
Loss on inventory write-downs		45	-
Amortization of intangible assets	10	164	172
Income tax expense	19	1,038	4,572
Allowance for impairment losses on trade receivables	5	1,319	896
Loss on disposal of fixed assets		2,553	-
Net finance income		(238)	(39)
Operating profit before working capital changes		19,109	11,525
Changes in working capital:			
Changes in:			
Trade and other receivables		(13,078)	(9,743)
Unbilled receivables		3,797	(4,168)
Lease receivables		3,880	(4,158)
Inventories		(3,850)	(151)
Prepaid expenses		(61)	(300)
Prepaid taxes		-	2,310
Refundable taxes		(2,511)	(610)
Advance payments		(25)	(8)
Security deposits		(9)	11
Deferred cost		(4,650)	(1,670)
Other current assets		(1,874)	-
Other non-current assets		-	(14)
Trade and other payables		9,654	1,166
Taxes payable		(254)	2,766
Employee benefits obligation		153	1,146
Deferred income		(3,108)	6,770
Lease liabilities		(875)	2,511
Interest paid		(106)	(64)
Interest received		344	103
Income taxes paid		(2,312)	(5,340)
<b>Net cash flow from operating activities</b>		4,224	2,082
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(1,812)	(1,722)
Acquisition of right-of-use assets		-	(211)
<b>Net cash flow used in investing activities</b>		(1,812)	(1,933)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(102)	(79)
<b>Net cash flow used in financing activities</b>		(102)	(79)
<b>NET INCREASE IN CASH IN BANKS</b>		2,310	70
<b>CASH IN BANKS AT BEGINNING OF YEAR</b>		28,210	28,140
<b>CASH IN BANKS AT END OF YEAR</b>		<b>30,520</b>	<b>28,210</b>

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

# PT HCL TECHNOLOGIES INDONESIA

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. GENERAL

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

The Company’s office is located at 15th floor One Pacific Place Building, SCBD, Jl. Jend. Sudirman No 52-53, South Jakarta.

In accordance with Article 3 of the Articles of Association, 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 2024	31 March 2023
Commissioner	: Mr. Goutam Rungta	Mr. Sundaram Sridharan
<b><u>Board of Directors</u></b>		
President Director	: Mr. Shiv Kumar Walia	Mr. Shiv Kumar Walia
Director	: Mr. Raghu Raman Lakshmanan	Mr. Raghu Raman Lakshmanan
Director	: Mr. Raj Walia	Mr. Raj Walia
Director	: Mr. Dimitri Arvin Widodo	Mr. Dimitri Arvin Widodo

### 2. BASIS OF PREPARATION

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**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 8 July 2024.

**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”) which is the Company’s functional currency. Financial information presented in Rupiah has been rounded to the nearest million (“Rp million”), unless otherwise stated.

**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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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#### 2. BASIS OF PREPARATION (Continued)

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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 16 – revenue recognition: Management’s judgment with respect to existence of 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 at the reporting date that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- Note 9 – Fixed assets useful lives estimation;
- Note 13 – Measurement of employee benefits obligation: key 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).

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#### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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The Company adopted Disclosure of Accounting Policies (Amendment to PSAK 1) from 1 April 2023. The amendment requires the disclosure of “material”, rather than “significant”, accounting policies. The amendment did not result in any changes to the accounting policies themselves and did not impact the accounting policies information disclosed in Note 3.

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

# PT HCL TECHNOLOGIES INDONESIA

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

**a. Cash equivalents**

Short-term time deposits with original maturities of three months or less are considered as cash equivalents.

**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

**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
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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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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#### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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**d.** *Impairment of non-financial assets (Continued)*

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.

**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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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**g. Financial instruments (Continued)**

*(i) Financial assets*

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.

*(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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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#### g. *Financial instruments (Continued)*

##### (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.

##### 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 met:

- 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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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#### *h. Leases (Continued)*

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.

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 change 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 Company recognizes revenue when it transfers control over a product or services to a customer.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

i. *Revenue recognition (Continued)*

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).

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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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#### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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**k. 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.

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#### 4. CASH IN BANKS

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This represents cash placed at Indonesia domiciled banks as follows:

	31 March	
	2024	2023
	Rp million	Rp million
Rupiah accounts	30,431	24,026
US Dollar account	89	4,184
	<u>30,520</u>	<u>28,210</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 5. TRADE AND OTHER RECEIVABLES

	31 March	
	2024	2023
	Rp million	Rp million
Receivables resulting from revenue generation activities consist of:		
Trade receivables from third parties	46,688	31,202
Trade receivables from related parties (Note 20)	9,634	12,059
	56,322	43,261
Other receivables	17	-
Less: provision for impairment	(3,994)	(2,675)
	52,345	40,586

#### 6. UNBILLED RECEIVABLES

	31 March	
	2024	2023
	Rp million	Rp million
Unbilled receivables resulting from revenue generation activities consist of:		
Third parties	3,638	3,142
Related parties (Note 20)	598	4,891
Balance as at end of year	4,236	8,033

#### 7. 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	
	2024	2023
	Rp million	Rp million
Lease receivables are to be received as follows:		
Less than one year	4,106	5,650
More than one year and not later than 5 years	3,979	6,677
Total minimum lease payments receivable	8,085	12,327
Interest included in minimum lease payments receivable	(362)	(724)
Present value of minimum lease payments receivable	7,723	11,603
Lease receivables, current portion	(3,923)	(5,313)
Lease receivables, non-current portion	3,800	6,290

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 8. DEFERRED COST

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
Balance as at beginning of the year	7,705	6,035
Additional cost capitalized during the year	118,337	92,377
Deduction on account of cost amortized during the year	(113,687)	(90,707)
Balance as at end of the year	12,355	7,705
Current portion	(12,131)	(7,704)
Non-current portion	224	1

#### 9. FIXED ASSETS

	Year ended 31 March 2024			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
<b>Cost</b>				
Computer	368	-	-	368
Laptop	5,258	1,812	(2,636)	4,434
	5,626	1,812	(2,636)	4,802
<b>Accumulated depreciation</b>				
Computer	(112)	(71)	-	(183)
Laptop	(2,484)	(799)	83	(3,200)
	(2,596)	(870)	83	(3,383)
<b>Carrying amount</b>	<b>3,030</b>			<b>1,419</b>
	Year ended 31 March 2023			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
<b>Cost</b>				
Computer	280	88	-	368
Laptop	3,624	1,634	-	5,258
	3,904	1,722	-	5,626
<b>Accumulated depreciation</b>				
Computer	(48)	(64)	-	(112)
Laptop	(1,761)	(723)	-	(2,484)
	(1,809)	(787)	-	(2,596)
<b>Carrying amount</b>	<b>2,095</b>			<b>3,030</b>

As of 31 March 2024 and 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 2024 and 2023, fixed assets were not covered with insurance against fire and other possible losses.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 10. INTANGIBLE ASSETS AND GOODWILL

	Year ended 31 March 2024			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
<b>Acquisition cost</b>				
Goodwill arising from business combinations	2,676	-	-	2,676
Customer relationships	1,557	-	-	1,557
	<u>4,233</u>	<u>-</u>	<u>-</u>	<u>4,233</u>
<b>Accumulated amortization</b>				
Customer relationships	(799)	(164)	-	(963)
	<u>(799)</u>	<u>(164)</u>	<u>-</u>	<u>(963)</u>
<b>Carrying amount</b>	<b><u>3,434</u></b>			<b><u>3,270</u></b>
	Year ended 31 March 2023			
	Beginning balance	Additions	Disposals and reclassifications	Ending Balance
	Rp million			
<b>Acquisition cost</b>				
Goodwill arising from business combinations	2,676	-	-	2,676
Customer relationships	1,557	-	-	1,557
	<u>4,233</u>	<u>-</u>	<u>-</u>	<u>4,233</u>
<b>Accumulated amortization</b>				
Customer relationships	(627)	(172)	-	(799)
	<u>(627)</u>	<u>(172)</u>	<u>-</u>	<u>(799)</u>
<b>Carrying amount</b>	<b><u>3,606</u></b>			<b><u>3,434</u></b>

#### 11. TRADE AND OTHER PAYABLES

	31 March	
	2024	2023
	Rp million	Rp million
Payables arising from purchases of products and services consist of the following:		
Trade payables to third parties	2,478	369
Trade payables to related parties (Note 20d)	7,782	21,449
	<u>10,260</u>	<u>21,818</u>
Other payables including accrued expenses	36,473	15,261
	<u>46,733</u>	<u>37,079</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 12. DEFERRED INCOME

	31 March	
	2024	2023
	Rp million	Rp million
Balance as at beginning of the year	12,945	6,175
Additional amounts billed but not recognized as revenue	3,416	12,812
Deduction on account of revenues recognized during the year	(6,524)	(6,042)
Balance as at end of the year	9,837	12,945
Current portion	(9,544)	(12,090)
Non-current portion	293	855

#### 13. 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 2024 and 2023:

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
<b>Movement in the defined benefit obligation</b>		
Defined benefit obligation, beginning of year	1,988	826
<b>Included in profit or loss</b>		
- Current service cost	655	614
- Past service cost due to curtailment	(334)	-
- Interest cost	106	52
- Adjustment due to recognition of past services	-	550
<b>Included in other comprehensive income</b>		
Actuarial (gains) losses arising from:		
- financial assumptions	25	37
- experience adjustment	22	(21)
<b>Others</b>		
- Benefits paid	(274)	-
- IFRIC adjustment	-	(70)
Defined benefit obligation, end of year	2,188	1,988

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13. EMPLOYEE BENEFITS OBLIGATION (Continued)

##### *Actuarial assumptions*

Principal assumptions used in the actuarial calculations were as follows:

	31 March	
	2024	2023
Discount rate	7% per annum	7.2% per annum
Future salary increase rate	4% per annum	4% per annum

At 31 March 2024, the weighted-average duration of the defined benefit obligation was 16.84 years (2023: 17.33 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			
	2024		2023	
	1% increase Rp million	1% decrease Rp million	1% increase Rp million	1% decrease Rp million
Discount rate	(192)	219	(160)	182
Future salary rise	215	(192)	185	(160)

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.

#### 14. 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 2024 and 2023 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

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 15. 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).

#### 16. REVENUE

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
<b>Major products/service</b>		
Sales of products	5,665	9,543
Rendering of services	129,141	92,879
	<u>134,806</u>	<u>102,422</u>
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	5,665	9,543
Products and services transferred over time	129,141	92,879
	<u>134,806</u>	<u>102,422</u>

#### 17. COST OF REVENUE

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
Consultancy (Note 20g)	79,375	40,326
Salaries and wages	24,419	28,209
Material cost	4,664	11,501
Project expenses	317	509
Others	1,030	994
Total	<u>109,805</u>	<u>81,539</u>

#### 18. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
Professional charges	3,182	3,135
Bad debts	1,417	711
Depreciation (Note 9)	870	787
Amortization (Note 10)	164	172
Depreciation right-of-use assets	106	76
Other expenses	4,013	4,843
Total	<u>9,752</u>	<u>9,724</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 19. TAXATION

a. Taxes payable consist of:

	31 March	
	2024	2023
	Rp million	Rp million
Value added taxes	624	277
Withholding taxes	8,067	8,668
Income tax installments, article 25	-	223
	<u>8,691</u>	<u>9,168</u>

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

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
Current tax expense:		
Current year	4,231	2,731
Adjustments to prior years' tax expense	(2,143)	2,609
	<u>2,088</u>	<u>5,340</u>
Deferred tax benefit:		
Origination and reversal of temporary differences	(1,050)	(768)
	<u>(1,050)</u>	<u>(768)</u>
	<u>1,038</u>	<u>4,572</u>

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

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
Profit before income tax	14,290	9,633
Statutory tax rate	22%	22%
	<u>3,144</u>	<u>2,119</u>
Non-deductible expenses	37	(156)
Adjustments to prior years' income tax expense	(2,143)	2,609
Income tax expense	<u>1,038</u>	<u>4,572</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 19. TAXATION (Continued)

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

	31 March 2023	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2024
	Rp million			
Deferred tax assets (liabilities):				
Provision for decline in inventory value	82	281	-	363
Employee benefits obligation	1,177	32	10	1,219
Provision for impairment loss on trade receivables	590	290	-	880
Fixed assets	152	(60)	-	92
Other provisions	674	473	-	1,147
Bonus	40	34	-	74
	<u>2,715</u>	<u>1,050</u>	<u>10</u>	<u>3,775</u>
	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
	<u>1,943</u>	<u>768</u>	<u>4</u>	<u>2,715</u>

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.

Realization of deferred tax assets is dependent upon the Company's profitable operations. As of 31 March 2024, management believes that all deferred tax assets are probable of being realized through offset against income tax due on future taxable income profit.

- e. 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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 20. 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 and other receivables from related parties as of 31 March 2024 and 2023 consist of (Note 5):

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	225	1,863
Entities under common control	9,426	10,196
	<u>9,651</u>	<u>12,059</u>

- (b) Unbilled receivables from related parties as of 31 March 2024 and 2023 consist of (Note 6):

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	481	-
Entities under common control	117	4,891
	<u>598</u>	<u>4,891</u>

- (c) Deferred cost from related parties as of 31 March 2024 and 2023 consist of:

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	<u>12,066</u>	<u>7,700</u>

- (d) Trade payables to related parties as of 31 March 2024 and 2023 consist of (Note 11):

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	5,625	6,477
Entities under common control	2,157	14,972
	<u>7,782</u>	<u>21,449</u>

- (e) Accrued expenses payable to related parties as of 31 March 2024 and 2023 consist of:

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	16,194	4,587
Entities under common control	14,444	846
	<u>30,638</u>	<u>5,433</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 20. RELATED PARTIES (Continued)

- (f) Deferred income from related party as of 31 March 2024 and 2023 consist of:

	31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	-	1,237
Entities under common control	-	4,588
	<u>-</u>	<u>5,825</u>

- (g) Consultancy fees charged by related parties for years ended 31 March 2024 and 2023 consist of (Note 17):

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	52,375	31,606
Entities under common control	27,000	8,720
	<u>79,375</u>	<u>40,326</u>

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) Software income from related parties for years ended 31 March 2024 and 2023 consist of:

	Year ended 31 March	
	2024	2023
	Rp million	Rp million
The ultimate parent	1,964	693
Entities under common control	23,953	19,010
	<u>25,917</u>	<u>19,703</u>

#### 21. 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.

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

##### 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, HCL Software PnP (a financial services providers), accounts for Rp 15,906 million of the trade receivables carrying amount at 31 March 2024 (2023: Allianz SE Rp 6,877 million).

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

	2024	2023
	Carrying amount	Carrying amount
	Rp million	Rp million
Not past due	47,347	36,432
Past due 1 – 30 days	3,691	3,015
Past due 31 – 120 days	1,661	4,910
Past due 121 – 365 days	2,550	2,670
Past due more than one year	1,332	1,592
	<u>56,581</u>	<u>48,619</u>

The following table provides information about the exposure to credit risk and ECLs for trade receivables and unbilled receivables as at 31 March 2024 and 31 March 2023

	Year ended 31 March 2024		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		Rp million	Rp million
Not past due	1.32%	47,982	635
Past due 1 – 30 days	5.48%	3,905	214
Past due 31 – 120 days	11.69%	1,881	220
Past due 121 – 365 days	36.72%	4,030	1,480
Past due more than one year	52.03%	2,777	1,445
		<u>60,575</u>	<u>3,994</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

##### Financial risk management (Continued)

##### Credit risk (Continued)

	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
		<u>51,294</u>	<u>2,675</u>

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	
	2024	2023
	Rp million	Rp million
Balance at 1 April	2,675	1,779
Net measurement of loss allowance	1,319	896
Balance at 31 March	<u>3,994</u>	<u>2,675</u>

##### **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.

##### **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 2024, the expected cash inflows from trade and other receivables maturing within 60 - 90 days were Rp 52,699 million (2023: Rp 52,333 million) and the expected cash outflows from trade and other payables due within 60 - 90 days were Rp 46,733 million (2023: Rp 37,079 million).

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

### Financial risk management (Continued)

#### Liquidity risk (Continued)

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

	Carrying amount	Contractual cash flows		
		Total	Within 1 year	1 – 3 years
31 March 2024	Rp million	Rp million	Rp million	Rp million
<b>Financial liabilities</b>				
Trade and other payables	46,733	46,733	46,733	-
Lease liabilities	2,206	2,282	1,425	857
	<u>48,939</u>	<u>49,015</u>	<u>48,158</u>	<u>857</u>

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

#### 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.

#### Currency risk

The Company is exposed to fluctuating foreign exchange rates, from currencies other than the Company's functional currency (Rupiah) on payables denominated in currencies other than Rupiah (primarily US Dollar) and US Dollar fund invested in banks. 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:

<i>In US Dollar</i>	2024	2023
Financial (liabilities)/assets/ <b>Net exposure</b>	<u>(976,881)</u>	<u>587,035</u>

## PT HCL TECHNOLOGIES INDONESIA

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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## **21.FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

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### **Financial risk management (Continued)**

#### **Market risk (Continued)**

#### **Currency risk (Continued)**

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 15,857/US Dollar at 31 March 2024 and Rp 14,996/US Dollar at 31 March 2023.

A strengthening/weakening of the Rupiah, as indicated below, against the US Dollar at 31 March 2024 and 2023 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
<b>31 March 2024</b>	
2 percent strengthening/weakening of Rupiah	242
<b>31 March 2023</b>	
2 percent strengthening/weakening of Rupiah	137

#### **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.



## **Siddharta Widjaja & Rekan Registered Public Accountants**

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### **Independent Auditors' Report**

No.: 00507/2.1005/AU.1/05/1082-5/1/VII/2024

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

#### ***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 2024, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising material 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 2024, 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.

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Registered Public Accountants  
Siddharta Widjaja & Rekan

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

8 July 2024

