

HCL Australia Services Pty. Limited

ABN 72 081 196 983

Annual Financial Report

for the financial year ended 31 March 2024

HCL Australia Services Pty. Limited ABN 72 081 196 983
Annual Financial Report 31 March 2024

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Directors' report

The directors submit their report together with the consolidated financial statements of the Group comprising HCL Australia Services Pty. Limited ("the Company") and its subsidiaries for the year ended 31 March 2024 and the auditor report there on.

Directors

The following persons are directors of HCL Australia Services Pty. Limited during the financial year and up to the date of this report:

Mr. Prateek Aggarwal
Mr. Shiv Kumar Walia (Appointment date - October 30, 2023)
Mr. Glenn Thomas Merchant
Mr. Sundaram Sridharan (Ceased date - June 30, 2023)

Principal activities

The principal activity of the Group during the course of the financial year was to provide IT and IT enabled services to clients. There were no significant changes in the nature of the activities of the Group during the financial year ended 31 March 2024.

Dividends

Dividend declared and paid during the financial year 31 March 2024 was nil to the shareholders (2023: \$5,077,839).

Review of operations

The consolidated profit after tax for the financial year ended 31 March 2024 is \$3,931,636 (2023 : \$27,769,515). The Group generated total revenue from services of \$602,052,638 (2023 : \$646,855,902) in the current financial year. Trading conditions remained consistent with those experienced in the prior year.

Significant changes in the state of affairs

No significant changes in the state of affairs of the Group that occurred during the year under review, not otherwise disclosed in this report or the financial statements.

Matters subsequent to the end of the financial year

There are no matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial year, or
- b) The results of those operations in future financial year, or
- c) The Group's state of affairs in future financial year.

Likely developments and expected results of operations

The Group will continue to pursue its policy of increasing profitability and market share during the next financial year. Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Indemnification and insurance of officers and auditors

The Group has not, since the end of the previous financial year, in respect of any person who is or has been an officer of the Group:

- i) Indemnified or made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- ii) Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.
- iii) The Group has not indemnified its auditors.

Environmental regulation

The Group's operations are not subject to significant environmental regulations under either Commonwealth or State legislation.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3. This report is made in accordance with a resolution of directors.



Shiv Kumar Walia
Director
Date: 03 July 2024
Location: India



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of HCL Australia Services Pty. Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of HCL Australia Services Pty. Limited for the financial year ended 31 March 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Michelle Swift

Partner

Sydney

3 July 2024

HCL Australia Services Pty. Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2024

	Notes	31 March 2024	31 March 2023
		\$	\$
Revenue from contract with customers	5	602,052,638	646,855,902
Cost of sales		(510,383,722)	(520,723,858)
Gross profit		91,668,916	126,132,044
Other operating expenses	6	(1,039,030)	(241,136)
Selling and distribution expenses		(45,194,328)	(41,014,769)
Administrative expenses		(38,213,909)	(43,494,521)
Operating profit		7,221,649	41,381,618
Finance income		928,547	400,971
Finance costs	7	(2,008,941)	(1,638,396)
Profit before income tax		6,141,255	40,144,193
Income tax expenses	8	(2,209,619)	(12,374,678)
Profit after income tax		3,931,636	27,769,515
Foreign currency translation differences-foreign operations		(46,671)	(44,845)
Total comprehensive income for the year		3,884,965	27,724,670

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

HCL Australia Services Pty. Limited
Consolidated statement of financial position
As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	9	7,682,631	27,232,007
Trade and other receivables	10	108,112,202	114,960,749
Contract assets		4,478,688	9,718,912
Inventories	14	526,139	690,815
Deferred cost		9,747,322	7,699,463
Current tax receivable		4,483,963	-
Total current assets		135,030,945	160,301,946
Non-current assets			
Right-of-use assets	24	11,308,587	3,524,028
Property, plant and equipment	11	2,970,368	4,857,472
Intangible assets	12	185,180,680	192,771,963
Deferred cost		198,403	149,846
Net deferred tax assets	13	13,971,396	10,478,511
Other receivables	15	3,492,607	2,693,001
Total non-current assets		217,122,041	214,474,821
TOTAL ASSETS		352,152,986	374,776,767
LIABILITIES			
Current liabilities			
Borrowings from related party	16	20,845,279	35,793,359
Trade and other payables	17	72,172,121	100,030,726
Contract liabilities	19	11,804,984	9,514,998
Accrued employee costs	18	26,674,716	24,099,777
Lease liabilities		2,079,041	2,809,621
Income tax payable		-	181,989
Total current liabilities		133,576,141	172,430,470
Non-current liabilities			
Accrued employee costs	18	17,495,676	15,948,942
Lease liabilities		10,654,736	2,355,094
Contract liabilities	19	3,051,730	628,275
Total non-current liabilities		31,202,142	18,932,311
TOTAL LIABILITIES		164,778,283	191,362,781
NET ASSETS		187,374,703	183,413,986
EQUITY			
Contributed equity	20	81,900,630	81,900,630
Reserves	21	1,389,581	1,389,581
Retained profits	21	104,176,008	100,168,620
Foreign currency translation reserve		(91,516)	(44,845)
TOTAL EQUITY		187,374,703	183,413,986

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

HCL Australia Services Pty. Limited
Consolidated statement of changes in equity
As at 31 March 2024

	Contributed equity	Reserves	Retained profits	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
As at 1 April 2023	81,900,630	1,389,581	100,168,620	(44,845)	183,413,986
Profit for the year	-	-	3,931,636	-	3,931,636
Total comprehensive income for the year	-	-	3,931,636	-	3,931,636
Foreign currency translation differences-foreign operations	-	-	-	(46,671)	(46,671)
Excess tax benefit on share based payments	-	-	75,752	-	75,752
At 31 March 2024	<u>81,900,630</u>	<u>1,389,581</u>	<u>104,176,008</u>	<u>(91,516)</u>	<u>187,374,703</u>

	Contributed equity	Reserves	Retained profits	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
As at 1 April 2022	81,900,630	1,389,581	77,432,171	-	160,722,382
Profit for the year	-	-	27,769,515	-	27,769,515
Total comprehensive income for the year	-	-	27,769,515	-	27,769,515
Dividend paid	-	-	(5,077,839)	-	(5,077,839)
Foreign currency translation differences-foreign operations	-	-	-	(44,845)	(44,845)
Excess tax benefit on share based payments	-	-	44,773	-	44,773
At 31 March 2023	<u>81,900,630</u>	<u>1,389,581</u>	<u>100,168,620</u>	<u>(44,845)</u>	<u>183,413,986</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

HCL Australia Services Pty. Limited
Consolidated statement of cash flows
For the year ended 31 March 2024

	Notes	31 March 2024 \$	31 March 2023 \$
Cash flow from operating activities			
Profit before tax for the year		6,141,255	40,144,193
Depreciation and amortization	11,12	9,314,990	10,645,963
Depreciation on right-of-use	7	2,332,458	2,657,699
Assets written off		-	101,118
Loss on sale of assets		845,514	8,953
Interest on lease liability	7	269,502	170,389
Interest on borrowings	7	1,540,331	1,305,807
Other interest cost	7	199,108	162,201
Foreign currency translation differences-foreign operations		(46,671)	(44,845)
Change in operating assets and liabilities			
Decrease/(increase) in trade & other receivables		6,256,129	(11,377,328)
Decrease in contract assets		5,240,224	2,610,952
Decrease/(increase) in inventories		164,676	(334,967)
(Increase)/decrease in deferred cost		(2,096,417)	896,590
Increase/(decrease) in contract liabilities		4,713,441	(392,799)
Increase/(decrease) in accrued employee costs		4,121,673	(2,325,719)
(Decrease)/increase in trade & other payables		(27,858,605)	8,870,853
Cash flow from operating activities		11,137,608	53,099,059
Tax paid		(10,292,702)	(18,711,101)
Net cash generated from operating activities		844,906	34,387,958
Cash flow from investing activities			
Purchase for property, plant and equipment	11	(685,939)	(958,535)
Capital work in progress	11	3,822	(3,607)
Net cash used in investing activities		(682,117)	(962,142)
Cash flow from financing activities			
Repayment of borrowings from related party	16	(15,300,000)	(26,041,943)
Interest paid		(1,387,520)	(1,468,007)
Payment of lease liabilities including interest	24	(3,024,645)	(3,188,823)
Dividend paid		-	(5,077,839)
Net cash used in financing activities		(19,712,165)	(35,776,612)
Net decrease in cash and cash equivalents		(19,549,376)	(2,350,796)
Cash and cash equivalents at the beginning of the financial year		27,232,007	29,582,803
Cash and cash equivalents at the end of the year	3(g), 9	7,682,631	27,232,007

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Corporate information

These consolidated financial statements cover HCL Australia Services Pty. Limited (“the Company”) and its subsidiaries (together referred as Group). The financial report is presented in the Australian Dollars.

HCL Australia Services Pty. Limited is a Company limited by shares, incorporated, and domiciled in Australia. Its principal place of business is Level 8, 1 Pacific Highway, North Sydney NSW 2060 and registered office is Mitchell & Partners Suite 3, Level 2, 66 Clarence Street, Sydney NSW 2000, Australia.

These consolidated financial statements of HCL Australia Services Pty. Limited for the financial year ended 31 March 2024 was authorized for issued by the directors on 03 July 2024.

The Group is ultimately controlled by HCL Technologies Limited, which is incorporated in India.

2 Material accounting policy information

The Group has adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3 Summary of material accounting policies

(a) Basis of preparation

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

These consolidated financial statements have been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the normal course of business for a period of at least twelve months from the date these consolidated financial statements are approved.

(c) Basis for Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

3 Summary of material accounting policies (continued)

(c) Basis for Consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

(d) Revenue recognition

Contracts involving provision of services and material

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 Group 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 Group 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 Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the

Contracts involving provision of services and material (continued)

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.

3 Summary of material accounting policies (continued)

(d) Revenue recognition (continued)

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.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time and material, volume based and transaction-based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc that correspond with value transferred to customer till date which is related to the right to invoice for services performed.

Fixed priced contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, system implementations and application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

Multiple performance obligations

When a sales arrangement contains multiple obligations, such as services, hardware and Licensed IPs (software) or combinations of each of them, revenue for each element is based on a five-step approach. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which the Group would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

3 Summary of material accounting policies (continued)

(d) Revenue recognition (continued)

Multiple performance obligations (continued)

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract costs and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fees paid to customers are deferred and classified as Deferred contract costs and amortized to revenue or cost, usually on a straight-line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flows, a loss is recognized. In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably being, whether the Group controls the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

(e) Foreign currency translation

The Group's consolidated financial statements are presented in Australian dollars, which is also the group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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.,

3 Summary of material accounting policies (continued)

(e) Foreign currency translation (continued)

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).

(ii) Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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

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

(f) Income tax

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3 Summary of material accounting policies (continued)

(f) Income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred tax related to assets and liabilities arising from a single transaction (Amendment to AASB 112) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 112. There was also no impact on the opening retained earnings as at 1 April 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 13).

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

HCL Australia Services Pty. Limited and its wholly-owned Australian controlled entity - Axon Solutions Pty. Ltd. implemented the tax consolidation legislation as of 1 November 2011. The head entity, HCL Australia Services Pty. Limited and the controlled entity in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

Until FY18-19, HCL Australia Services Pty. Limited used to recognize current tax liabilities or assets not only on its own tax accounts but also on its controlled entity - Axon Solutions Pty. Ltd.'s unused tax losses and unused tax credits. During the previous year, Axon Australia was liquidated on 25th January 2022 and thus it is no longer part of tax consolidated group. Further, DWS group being wholly owned subsidiary of the Company forms part of tax consolidated group with effect from 5th January 2021.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entity in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognized as a contribution to (or distribution from) wholly-owned tax consolidated entity.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, the Group has included bank overdrafts within cash and cash equivalents as they are considered an integral part of the Group's cash management.

3 Summary of material accounting policies (continued)

(h) 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 generally due for settlement within 30 days.

Finance lease receivables are recognized at an amount equal to net investment in the lease, which comprises the present value of the minimum lease payments receivable, plus the present value of an unguaranteed residual value expected to accrue at the end of the lease. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is evidence that the Group will not be able to collect the amount due according to the original terms of receivables. The amount of the provision is recognized in the consolidated statement of profit or loss and other comprehensive income.

(i) 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated on straight-line basis over the estimated useful lives of the assets, as follows:

Category of asset	Useful life (Years)
Computer equipment	2 to 5
Furniture fitting and equipment	5 to 40

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(j) 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 Group prior to the end of financial year which are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Intangible assets and goodwill

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.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with infinite lives are tested annually for impairment or assessed whenever there is an indication that the intangible asset may be impaired.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3 Summary of material accounting policies (continued)

(k) Intangible assets and goodwill (continued)

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible assets.

The following are the finite lives of the intangible assets in the group:

	Life (Years)	Basis of amortization
Customer relationships	7.5 – 10	In proportion of estimated revenue
Intellectual property rights (Brand)	5	On straight line basis

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognised.

(l) Employee benefits

i) Wages and salaries

Short-term employee benefits are expensed as the related service is provided.

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.

(ii) Long service leave

The liability for long service leave is recognized in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

Contributions to the defined contribution fund are recognized as an expense as they become payable.

The amount charged to the statement of profit or loss and other comprehensive income in respect of superannuation represents the contributions made by the Group to the superannuation fund.

(iv) Share-based payments

Share-based payment expenses related to stock awards granted by the ultimate parent company, HCL Technologies Limited, to the employees of the Company (stock options), is measured based on the fair value of the awards granted and recognised over the requisite service period.

3 Summary of material accounting policies (continued)

(l) Employee benefits (continued)

The fair value of each option is estimated is based on the fair value of the underlying stock as of the grant date. The Company is required to estimate the expected forfeiture rate and only recognise an expense for those shares expected to vest. To the extent the actual forfeiture rate is different from the estimate, the share-based payment is adjusted prospectively. The movement in cumulative expense since the previous balance sheet date is recognised in the profit or loss, with corresponding entry in accruals.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Impairment of non-financial assets

Goodwill

Goodwill is tested annually, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(o) 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.

3 Summary of material accounting policies (continued)

(p) Leases

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

Group as a lessee

The Group is a lessee in the case of office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains a lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in AASB 16.

Effective 1 April 2019, all leases with a term of more than 12 months and are not low value leases are recognized as right-of-use assets along with associated lease liabilities, in the consolidated balance sheet.

Right-of-use asset represents the Group'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. Right-of-use assets are measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use assets are depreciated based on the straight line method over the lease term or useful life of the right-of-use asset, whichever is less. Subsequently, right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

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 Group's incremental borrowing rate, which approximates the rate at which the Group would borrow, in the country where the lease was executed. The Group has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The minimum lease payments comprise fixed payments less any lease incentives, variable lease payments that depend on an index or a rate, exercise price of a purchase option if the Group is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Group has elected to not recognize leases with a lease term of 12 months or less in the consolidated balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the consolidated statement of profit and loss. For all asset classes, the Group has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned or contingency is resolved.

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance leases are recognized as a receivable at an amount equal to the present value of the lease receivable. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. Interest income is recognized in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

When arrangements include multiple performance obligations, the Group allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

3 Summary of material accounting policies (continued)

(q) Standards not yet effective

A number of new Australian Accounting Standards and Interpretations are also effective from 1 April 2023 but they do not have a material effect on the Group's financial statement.

(r) Borrowing Costs

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

(s) Current versus non-current classification

The group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(t) Financial Instruments

Recognition

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

Measurement

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.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

3 Summary of material accounting policies (continued)

(t) Financial Instruments (continued)

Financial instruments at amortized cost (continued)

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial instrument at Fair Value through Other Comprehensive Income (OCI)

A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest. Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, any cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalents are after initial recognition measured at amortized cost. Cash and cash equivalents comprise cash in bank and cash on short notice and money in transit.

Trade and other receivables

Trade and other receivables are after initial recognition measured at amortized cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognized in profit or loss when the trade and other receivables are derecognized or impaired.

Trade and other payables

Trade and other payables are classified as financial liabilities originated by the group and are carried after initial recognition at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the trade and other payables are derecognized or impaired.

3 Summary of material accounting policies (continued)

(t) Financial Instruments (continued)

Financial instrument at Fair Value through Profit and Loss (continued)

Derecognition

i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the group has transferred its rights to receive cash flows from the asset and either;

(a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

i) Assets carried at amortized cost

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables and unbilled receivables (including contract assets) not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

3 Summary of material accounting policies (continued)

(t) Financial Instruments (continued)

i) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(u) Provisions

Provisions are recognized when the Group 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 Group 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(v) Cash Dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws of Australia, a distribution is authorized when it is approved by the directors. A corresponding amount is recognized directly in equity.

(w) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(x) Inventories

Stock-in-trade, stores, and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock-in-trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

4 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.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Goodwill

In accordance with the accounting policy in relation to intangible assets, goodwill and intangible assets with indefinite life are subject to an annual impairment review. In making this impairment assessment, the Group evaluates the value-in-use using cash flow projections which have been discounted at an appropriate rate. These calculations require the use of assumptions and estimations are required.

Revenue Recognition

The Group determines the amount of revenue to be recognized on certain projects progress based on the estimated amount of work completed in relation to the projects. This estimation is based on management's assessment of costs incurred as well as an estimation of the percentage of the project completed.

HCL Australia Services Pty. Limited
Notes to the consolidated financial statements
31 March 2024

5 Revenue from contract with customers

	31 March 2024	31 March 2023
	\$	\$
Revenue from contract with customers	602,052,638	646,855,902
	602,052,638	646,855,902

a) Disaggregate revenue information

	31 March 2024	31 March 2023
	\$	\$
<u>Contract type</u>		
Fixed price	282,871,770	269,798,603
Time and material	300,482,238	365,169,102
Sale of goods	18,698,630	11,888,197
Total revenue from contract with customers	602,052,638	646,855,902

	31 March 2024	31 March 2023
	\$	\$
<u>Timing of revenue recognition</u>		
Goods transferred at a point in time	18,698,630	11,888,197
Services transferred over time	583,354,008	634,967,705
Total revenue from contract with customers	602,052,638	646,855,902

The disaggregated revenue from customers by geographic area based on location of customer is as follows:

	31 March 2024	31 March 2023
	\$	\$
Australia	582,342,725	617,494,325
USA	3,267,926	1,779,650
Rest of world	16,441,987	27,581,927
	602,052,638	646,855,902

b) Contract balances

	31 March 2024	31 March 2023
	\$	\$
Trade and unbilled receivables including receivables from related parties	102,295,969	109,980,071
Contract assets	4,478,688	9,718,912
Contract liabilities (Note 19)	(14,856,714)	(10,143,273)
	91,917,943	109,555,710

6 Other (expenses)/income

	31 March 2024	31 March 2023
	\$	\$
Net foreign exchange loss	(258,728)	(255,207)
Loss on disposal of asset	(845,514)	(8,953)
Miscellaneous Income	65,212	23,024
	(1,039,030)	(241,136)

7 Expenses

	31 March 2024	31 March 2023
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Furniture, fittings and equipment	479,337	549,087
Computers	1,244,370	2,061,839
Intangible assets	7,591,283	8,035,037
Right to use	2,332,458	2,657,699
Total depreciation	11,647,448	13,303,662
<i>Finance costs</i>		
Interest on borrowings	1,540,331	1,305,807
Interest on lease liability	269,502	170,389
Other interest cost	199,108	162,201
Total finance cost	2,008,941	1,638,397
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	34,644	102,752
<i>Net foreign exchange loss</i>	(258,728)	(255,207)
<i>Defined contribution superannuation expense</i>	21,938,422	22,944,366
<i>Employee benefits expense</i>	304,134,581	307,395,885
<i>Loss on disposal of asset</i>	(845,514)	(8,953)

8 Income tax expense

	31 March 2024	31 March 2023
	\$	\$
(a) Income tax expense		
Current tax expense	5,681,498	15,515,543
Deferred tax expense	(3,429,059)	(3,244,306)
Adjustments for current tax of prior periods	(71,691)	499,561
Adjustments for deferred tax of prior periods	11,713	(491,420)
Others	17,158	95,300
Income tax expense	2,209,619	12,374,678
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	6,141,255	40,144,193
Tax at the Australian tax rate of 30% (2023 - 30%)	1,842,377	12,043,258
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	17,158	95,300
Permanent Difference	410,063	227,979
	2,269,598	12,366,537
Adjustments for current tax of prior periods	(59,979)	8,141
Income tax expense	2,209,619	12,374,678
(c) Imputation credits		
Balance as at 1st April	127,357,666	108,230,707
Tax payments net of refunds	8,284,359	19,126,959
Balance as at 31st March	135,642,025	127,357,666

9 Current assets - Cash and cash equivalents

	31 March 2024	31 March 2023
	\$	\$
Cash at bank and on hand	7,682,631	27,232,007
	7,682,631	27,232,007

Cash at bank and on hand are bearing floating interest rates at an average of nil%.

10 Current assets - Trade and other receivables

	31 March 2024	31 March 2023
	\$	\$
Trade receivables		
Unsecured	62,155,324	65,010,652
Provision for expected credit losses	(1,130,590)	(917,674)
	61,024,734	64,092,978
Receivables from related parties	9,001,953	8,494,906
Prepayments and other assets	4,715,819	3,554,782
Employee advances	151,666	346,290
Unbilled receivables	32,269,282	37,392,187
Finance lease receivables	948,748	1,079,606
	108,112,202	114,960,749

Effective interest rates and credit risk

The group is not exposed to interest rate risk on these receivable balances as they are non-interest bearing. There is no concentration of credit risk with respect to current receivables as the group has a large number of customers.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. They are stated net of loss allowance.

The Group does not hold any collateral or other credit enhancements over these balances.

Movements in the loss allowance for trade receivables are as follows:

	31 March 2024	31 March 2023
	\$	\$
At the beginning of the year	917,674	738,159
Movement during the year	212,916	179,515
At the end of the year	1,130,590	917,674

Impairment of trade receivables under AASB 9 Financial Instruments

The Group applies the simplified approach to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance as at 31 March 2024 and 31 March 2023 are determined as follows:

As at 31 March 2024

	Current	Upto 6 months past due	More than 6 months past due	Total
Expected loss rate (%)	0.03	0.89	66.73	1.82
Gross carrying amount (\$)	43,164,838	17,551,605	1,438,881	62,155,324
Expected credit losses (\$)	13,517	156,863	960,210	1,130,590

As at 31 March 2023

	Current	Upto 6 months past due	More than 6 months past due	Total
Expected loss rate (%)	0.04	0.86	44.90	1.41
Gross carrying amount (\$)	44,506,505	18,866,217	1,637,930	65,010,652
Expected credit losses (\$)	20,024	162,268	735,382	917,674

11 Non-current assets-Property, plant and equipment

	Furniture, fittings and equipment \$	Computer equipment \$	Total \$
At 31 March 2024			
Opening net book amount	3,186,333	1,671,139	4,857,472
Additions	238,985	446,954	685,939
Fixed asset written off	(1,488,675)	-	(1,488,675)
Movement in capital work in progress	-	(3,822)	(3,822)
Depreciation on assets written off	643,161	-	643,161
Depreciation	(479,337)	(1,244,370)	(1,723,707)
Net book amount	<u>2,100,467</u>	<u>869,901</u>	<u>2,970,368</u>

At 31 March 2024			
Cost	3,445,223	15,101,524	18,546,747
Accumulated depreciation	(1,344,756)	(14,231,623)	(15,576,379)
Net book amount	<u>2,100,467</u>	<u>869,901</u>	<u>2,970,368</u>

At 31 March 2023			
Opening net book amount	3,477,705	3,138,622	6,616,327
Additions	367,856	590,679	958,535
Fixed asset written off	(668,880)	(1,449)	(670,329)
Movement in capital work in progress	-	3,607	3,607
Depreciation on assets written off	558,739	1,519	560,258
Depreciation	(549,087)	(2,061,839)	(2,610,926)
Net book amount	<u>3,186,333</u>	<u>1,671,139</u>	<u>4,857,472</u>

At 31 March 2023			
Cost	4,694,913	14,658,392	19,353,305
Accumulated depreciation	(1,508,580)	(12,987,253)	(14,495,833)
Net book amount	<u>3,186,333</u>	<u>1,671,139</u>	<u>4,857,472</u>

12 Intangible assets

	Goodwill \$	Intellectual property rights \$	Customer Relationships \$	Total \$
At 31 March 2024				
Opening net book amount	166,917,148	7,700,006	18,154,809	192,771,963
Depreciation	-	(2,799,997)	(4,791,286)	(7,591,283)
Net book amount	<u>166,917,148</u>	<u>4,900,009</u>	<u>13,363,523</u>	<u>185,180,680</u>

At 31 March 2024				
Cost	166,917,148	14,000,000	28,826,051	209,743,199
Accumulated depreciation	-	(9,099,991)	(15,462,528)	(24,562,519)
Net book amount	<u>166,917,148</u>	<u>4,900,009</u>	<u>13,363,523</u>	<u>185,180,680</u>

At 31 March 2023				
Opening net book amount	166,917,148	10,500,004	23,389,848	200,807,000
Depreciation	-	(2,799,998)	(5,235,039)	(8,035,037)
Net book amount	<u>166,917,148</u>	<u>7,700,006</u>	<u>18,154,809</u>	<u>192,771,963</u>

At 31 March 2023				
Cost	166,917,148	14,000,000	28,826,051	209,743,199
Accumulated depreciation	-	(6,299,994)	(10,671,242)	(16,971,236)
Net book amount	<u>166,917,148</u>	<u>7,700,006</u>	<u>18,154,809</u>	<u>192,771,963</u>

13 Deferred tax assets

Components of deferred tax assets and liabilities as on 31 March 2024

	Opening balance \$	Recognized in profit or loss \$	Recognized directly in equity against tax liability \$	Closing balance \$
Deferred tax assets				
Provision for expected credit losses	275,302	63,875	-	339,177
Accrued employee costs	16,467,372	944,398	-	17,411,770
Employee stock compensation	44,773	(1)	75,752	120,524
Lease accounting	1,230,697	2,412,778	-	3,643,475
Provision for expenses	1,799,732	(13,686)	-	1,786,046
Gross deferred tax assets (A)	19,817,876	3,407,364	75,752	23,300,992
Deferred tax liabilities				
Depreciation and amortization	395,694	(63,500)	-	332,194
Deferred revenue	140,542	(91,524)	-	49,018
Prepayments	9,617	103,682	-	113,299
Unrealized gain/loss	(20,242)	(16,482)	-	(36,724)
Lease accounting	1,057,137	2,335,439	-	3,392,576
Intangibles	7,756,617	(2,277,384)	-	5,479,233
Gross deferred tax liabilities (B)	9,339,365	(9,769)	-	9,329,596
Net deferred tax assets (A-B)	10,478,511	3,417,133	75,752	13,971,396

Components of deferred tax assets and liabilities as on 31 March 2023

	Opening balance \$	Recognized in profit or loss \$	Recognized directly in equity against tax liability \$	Closing balance \$
Deferred tax assets				
Provision for expected credit losses	221,447	53,855	-	275,302
Accrued employee costs	15,670,708	796,664	-	16,467,372
Employee stock compensation	-	-	44,773	44,773
Provision for Expenses	1,938,115	35,177	-	1,973,292
Gross deferred tax assets (A)	17,830,270	885,696	44,773	18,760,739
Deferred tax liabilities				
Depreciation and amortization	771,958	(376,264)	-	395,694
Deferred Revenue	144,438	(3,896)	-	140,542
Prepayments	35,762	(26,145)	-	9,617
Unrealized gain/loss	13,095	(33,337)	-	(20,242)
Intangibles	10,167,128	(2,410,511)	-	7,756,617
Gross deferred tax liabilities (B)	11,132,381	(2,850,153)	-	8,282,228
Net deferred tax assets (A-B)	6,697,889	3,735,849	44,773	10,478,511

HCL Australia Services Pty. Limited
Notes to the consolidated financial statements
31 March 2024

14 Inventories

	31 March 2024	31 March 2023
	\$	\$
Trading material (at cost)	526,139	690,815
	526,139	690,815

15 Non Current assets- Other receivables

	31 March 2024	31 March 2023
	\$	\$
Prepayments and other assets	100,431	513,239
Unbilled receivables	2,651,339	1,326,685
Finance lease receivables	740,837	853,077
	3,492,607	2,693,001

16 Borrowings with related party

	31 March 2024	31 March 2023
	\$	\$
HCL Technologies UK Limited		
Principal portion	20,378,000	35,678,000
Interest component	467,279	115,359
	20,845,279	35,793,359

The Company received funding from HCL Technologies UK Limited for an amount of \$81,378,000 in December 2020 to assist in the acquisition of the DWS Group. In June 2021 a loan agreement was entered into by the Company and HCL Technologies UK Limited, which requires the Company to repay the principal amount no later than 5 years from the date of the loan agreement. As at balance sheet date the Company did not have the unconditional right to defer payment of the principal amount for a period beyond 12 months from balance date. As a result the loan is recorded as a current liability in the consolidated statement of financial position as at 31 March 2024. Interest is applicable at the rate of 3 month bank bill SWAP rate +57 basis points.

17 Current liabilities - Trade and other payables

	31 March 2024	31 March 2023
	\$	\$
Trade payables	3,779,716	4,436,683
Amounts owing to related entities	29,983,770	44,346,279
Other employee payables	12,802,252	16,715,273
Provisions and accruals	10,694,759	13,033,732
Other payables	14,911,624	21,498,759
	72,172,121	100,030,726

18 Accrued employee costs

	31 March 2024	31 March 2023
	\$	\$
Leave encashment		
Opening balance	33,801,035	33,503,842
Add: Provision	15,502,371	13,917,442
Less: Reversal/payouts	(11,558,665)	(13,620,249)
Closing balance	37,744,741	33,801,035
Earnout liability*		
Opening balance	5,076,002	8,583,371
Add: Provision	359,372	1,541,501
Less: Reversal/payouts	(5,435,374)	(5,048,870)
Closing balance	-	5,076,002
	37,744,741	38,877,037

18 Accrued employee costs (continued)

Accrued employee bonus	14,088	-
Employee stock option plan	2,456,729	1,171,682
	26,674,716	24,099,777
Current portion	26,674,716	24,099,777
Non current portion	17,495,676	15,948,942
	44,170,392	40,048,719

* This Earnout liability pertains to DWS group of entities.

19 Contract liabilities

	31 March 2024	31 March 2023
	\$	\$
Current	11,804,984	9,514,998
Non-current	3,051,730	628,275
	14,856,714	10,143,273

20 Contributed equity

	31 March 2024	31 March 2023
	\$	\$
Ordinary shares (81,900,630 shares of \$1.00 each)	81,900,630	81,900,630
	81,900,630	81,900,630

(a) The above shares are wholly owned by HCL Bermuda Limited.

(b) On 11 December 2020, the Company issued 81,400,630 ordinary shares to HCL Bermuda Limited of \$1.00 each.

(c) Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

21 Reserves and retained profits

	31 March 2024	31 March 2023
	\$	\$
(a) Other equity contribution		
Other equity contribution at the beginning of the year	1,389,581	1,389,581
Other equity contribution at end of the year	1,389,581	1,389,581
(b) Retained profits		
Opening retained earnings	100,168,620	77,432,171
Net profit for the year	3,931,636	27,769,515
Dividend paid	-	(5,077,839)
Excess tax benefit on share based payments	75,752	44,773
Balance 31 March	104,176,008	100,168,620

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the subsidiary whose functional currency is different from that of the Company presentation currency.

22 Remuneration of auditors

	31 March 2024	31 March 2023
	\$	\$
Fees paid to KPMG Australia for audit of consolidated financial statements	198,000	180,000
	198,000	180,000

23 Contingencies

The Group has given a financial guarantee for \$128,260 (2023: \$378,260). Other than this, there is no contingent assets and liabilities as at 31 March 2024 (2023: \$Nil).

24 Leases

a. Leases as lessee AASB 16

The Group leases various offices under non cancellable operating leases expiring within one to five years. The leases have varying terms, escalator clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Information about leases for which the group is a lessee is presented below:

(i) Right-of-use assets

	31 March 2024	31 March 2023
	\$	\$
Balance as at 1 April	3,524,028	5,412,305
Additions to right-of-use assets	10,505,150	769,422
Derecognition of right-of-use assets	(388,133)	-
Depreciation charged for the year	(2,332,458)	(2,657,699)
Balance as at 31 March	11,308,587	3,524,028

(ii) Amounts recognised in profit or loss

Interest on lease liabilities	269,502	170,389
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(iii) Amounts recognised in statement of cash flows

Payment of lease liabilities	3,024,645	3,188,823
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(iv) Reconciliation of lease liability

Balance as on 1 April	5,164,715	7,124,906
Additions of lease liabilities	10,660,434	1,058,243
Derecognition of lease liability	(336,229)	-
Payments made	(3,024,645)	(3,188,823)
Interest expense	269,502	170,389
Balance as at 31 March	12,733,777	5,164,715

b. Leases as lessor AASB 16

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

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As at 31 March 2024			
Not later than one year	2,553,016	257,195	2,295,821
Later than one year and not later than 5 years	10,492,882	968,460	9,524,422
	13,045,898	1,225,655	11,820,243
As at 31 March 2023			
Not later than one year	1,117,694	38,088	1,079,606
Later than one year and not later than 5 years	909,152	56,075	853,077
	2,026,846	94,163	1,932,683

25 Commitments

There is capital commitment as at balance sheet date 31 March 2024 of \$21,304 (2023: \$101,033).

26 Related party transactions

HCL Australia Services Pty. Limited is a wholly owned subsidiary of HCL Bermuda Limited, incorporated in Bermuda, which in turn is a subsidiary of HCL Technologies Limited (ultimate holding Company), incorporated in India. The Company's immediate parent company, HCL Bermuda Limited, entered into a share transfer agreement with HCL Technologies Holding UK Limited on 21 March 2024, wherein HCL Bermuda Limited has transferred good and marketable title and interest in the shares of the company to HCL Technologies Holding UK Limited.

The change in the name of the registered owner for the Company's shares will be effected post approval from the Foreign Investment Review Board ("FIRB").

The Group had the following material transactions with related parties during the financial year:

	31 March 2024	31 March 2023
	\$	\$
Transactions during 1 April to 31 March		
Software Development charges received/receivable from HCL Technologies Limited	6,824,068	4,503,375
Software Development charges received/receivable from related parties	23,164,695	18,766,944
Consulting charges paid /payable to HCL Technologies Limited	162,243,880	163,464,380
Consulting charges paid /payable paid/payable to other related parties	18,185,057	14,114,464

26 Related party transactions (continued)

	31 March 2024	31 March 2023
Outstanding Balances as at 31 March	\$	\$
Account owing by HCL Technologies Limited (note 10)	1,323,003	1,571,087
Account owing by other related entities (note 10)	7,678,950	6,923,820
Deferred cost-HCL Technologies Limited	9,653,999	6,859,854
Deferred cost-other related entities	291,726	-
Payable to HCL Technologies Limited (note 17)	25,205,523	40,839,876
Payable to related entities (note 17)	4,778,247	3,506,403
Borrowings with related party (note 16)	20,845,279	35,793,359

27 Compensation to key management personnel

Compensation to key management personnel is \$763,940 (2023: \$8,383,379)

Some of the directors of the Company are also directors and key management personnel in other related entities within the ultimate parent group and all of these companies together are viewed as one business unit and their remuneration is paid by the ultimate parent Company. The directors do not believe that it is practicable to apportion the remuneration paid between their services as directors and key management personnel of the Company and their services as directors and key management personnel of the other group companies within the HCL group.

28 Events occurring after the balance sheet date

There have been no significant subsequent events since the year ended 31 March 2024 that would have material impact on the statement of financial position of the Company as shown in these financial statements.

29 Group Information

Information about subsidiary

The consolidated financial statements of the group includes:

Name with country of incorporation	31 March 2024	31 March 2023
DWS Pty. Limited	100%	100%
DWS (NSW) Pty. Limited, Australia	100%	100%
DWS Product Solutions Pty. Limited, Australia	100%	100%
Graeme V. Jones & Associates Pty. Limited, Australia	100%	100%
Phoenix It & T Consulting Pty. Limited, Australia	100%	100%
Projects Assured Pty. Limited, Australia	100%	100%
SDM Sales Pty. Limited, Australia	100%	100%
Strategic Data Management Pty. Limited, Australia	100%	100%
Symplicit Pty. Limited, Australia	100%	100%
Wallis Nominees (Computing) Pty. Limited, Australia	100%	100%
DWS (New Zealand) Limited, New Zealand	100%	100%

Principal activities

The Group was primarily engaged in providing IT and IT enabled services.

No significant changes in the state of affairs of the Group that occurred during the year under review, not otherwise disclosed in this report or the financial statements.

30 Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the instrument that the Group entity and each of its subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in accordance with this Deed of Cross Guarantee in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:-

- DWS Pty. Limited
- DWS (NSW) Pty. Limited
- DWS Product Solutions Pty. Limited
- Graeme V. Jones & Associates Pty. Limited
- Phoenix It & T Consulting Pty. Limited
- Projects Assured Pty. Limited
- SDM Sales Pty. Limited
- Strategic Data Management Pty. Limited
- Symplicit Pty. Limited
- Wallis Nominees (Computing) Pty. Limited

The above subsidiaries become a party to this Deed on 26 March 2021.

30 Deed of cross guarantee (continued)

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, is set out as follows:-

Consolidated statement of profit or loss and other comprehensive income

	31 March 2024	31 March 2023
	\$	\$
Revenue from contract with customers	601,345,346	646,087,958
Cost of sales	(510,225,047)	(520,959,595)
Gross profit	91,120,299	125,128,363
Other operating expenses	(1,038,427)	(241,136)
Selling and distribution expenses	(45,020,868)	(41,014,769)
Administrative expenses	(37,755,586)	(43,242,646)
Operating profit	7,305,418	40,629,812
Finance income	928,659	400,971
Finance costs	(1,994,774)	(1,638,044)
Profit before income tax	6,239,303	39,392,739
Income tax expenses	(2,003,182)	(12,374,678)
Profit after income tax	4,236,121	27,018,061
Other comprehensive income for the year (net of tax)	-	-
Total comprehensive income for the year	4,236,121	27,018,061

Consolidated statement of financial position

	31 March 2024	31 March 2023
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	7,305,287	26,281,179
Trade and other receivables	108,091,722	114,805,626
Contract assets	4,449,035	9,695,587
Inventories	526,139	690,815
Deferred cost	9,747,322	7,699,463
Loan to subsidiary	-	150,000
Current tax receivable	4,327,578	-
Total current assets	134,447,083	159,322,670
Non-current assets		
Right-of-use assets	11,308,587	3,524,028
Property, plant and equipment	2,970,014	4,854,993
Intangible assets	185,180,680	192,771,963
Deferred cost	198,403	149,845
Net deferred tax assets	13,960,170	10,467,073
Other receivables	3,492,606	2,693,001
Total non-current assets	217,110,460	214,460,903
TOTAL ASSETS	351,557,543	373,783,573
LIABILITIES		
Current liabilities		
Borrowings from related party	20,845,279	35,793,359
Trade and other payables	75,949,879	104,973,299
Contract liabilities	11,738,324	9,393,058
Accrued employee costs	22,619,011	18,863,052
Lease liabilities	2,079,041	2,809,621
Income tax payable	-	206,766
Total current liabilities	133,231,534	172,039,155
Non-current liabilities		
Accrued employee costs	17,495,676	15,948,943
Lease liabilities	10,654,736	2,355,094
Contract liabilities	3,051,730	628,275
Total non-current liabilities	31,202,142	18,932,312
TOTAL LIABILITIES	164,433,676	190,971,467
NET ASSETS	187,123,867	182,812,106
EQUITY		
Contributed equity	81,900,630	81,900,630
Reserves	1,389,581	1,389,581
Retained profits	103,833,656	99,521,895
TOTAL EQUITY	187,123,867	182,812,106

31 Information relating to HCL Australia Services Pty. Limited (the Parent)

	31 March 2024	31 March 2023
	\$	\$
Current assets	106,491,778	117,940,154
Non current assets	184,680,773	180,204,641
Total assets	291,172,551	298,144,795
Current liabilities	102,786,260	133,030,732
Non current liabilities	20,967,031	16,027,960
Total liabilities	123,753,291	149,058,692
Contributed equity	81,900,630	81,900,630
Reserves	1,389,581	1,389,581
Retained profits	84,129,049	65,795,892
Total equity	167,419,260	149,086,103
Profit of the Parent entity	18,257,401	11,100,560
Total comprehensive income of the Parent entity	18,257,401	11,100,560

In accordance with a resolution of the directors of HCL Australia Services Pty. Limited, I state that:

1. In the opinion of the directors:

(a) the consolidated financial statements and notes of HCL Australia Services Pty. Limited for the financial year ended 31 March 2024 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 30 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of *the Deed of Cross Guarantee between the Company and those group entities pursuant to Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

Signed in accordance with a resolution of the directors.

On behalf of the Board



Shiv Kumar Walia

Director

Date: 03 July 2024

Location: India



Independent Auditor's Report

To the shareholder of HCL Australia Services Pty. Limited

Opinion

We have audited the **Financial Report** of HCL Australia Services Pty. Limited (the Company) and its controlled entities.

In our opinion, the accompanying Financial Report of the **Group** is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 March 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in HCL Australia Services Pty. Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Michelle Swift

Partner

Sydney

3 July 2024