

HCL Australia Services Pty. Limited

ABN 72 081 196 983

Annual Financial Report

for the financial year ended 31 March 2025

HCL Australia Services Pty. Limited ABN 72 081 196 983
Annual Financial Report 31 March 2025

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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 2025 and the auditor's 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 - (Ceased date - September 06, 2024)
Mr. Shiv Kumar Walia
Mr. Glenn Thomas Merchant
Mr. Sushant Jain - (Appointment date - November 12, 2024)

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 2025.

Dividends

Dividend declared and paid during the financial year 31 March 2025 was nil to the shareholders (2024: nil).

Review of operations

The consolidated profit after tax for the financial year ended 31 March 2025 is \$20,911,206 (2024 : \$3,931,636). The Group generated total revenue from services of \$615,964,901 (2024 : \$602,052,638) 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 matters or circumstances that have arisen since 31 March 2025 that have significantly affected, or may significantly affect:

- a) The Group's operations, or
- b) The results of those operations, or
- c) The Group's state of affairs

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: 3.07.2025

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 2025 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.

A small, stylized signature of the KPMG logo in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'Richard Drinnan'.

Richard Drinnan
Partner

Sydney

3 July 2025

HCL Australia Services Pty. Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2025

	Notes	31 March 2025	31 March 2024
		\$	\$
Revenue from contract with customers	4	615,964,901	602,052,638
Cost of sales		(502,384,077)	(510,383,722)
Gross profit		113,580,824	91,668,916
Other operating expenses	5	(128,447)	(1,039,030)
Selling and distribution expenses		(48,247,964)	(45,194,328)
Administrative expenses		(34,278,663)	(38,213,909)
Operating profit		30,925,750	7,221,649
Finance income		993,585	928,547
Finance costs	6	(1,198,770)	(2,008,941)
Profit before income tax		30,720,565	6,141,255
Income tax expenses	7	(9,809,359)	(2,209,619)
Profit after income tax		20,911,206	3,931,636
Foreign currency translation differences-foreign operations		20,527	(46,671)
Total comprehensive income for the year		20,931,733	3,884,965

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 2025

	Notes	31 March 2025	31 March 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	8	12,133,662	7,682,631
Trade and other receivables	9	127,634,886	108,112,202
Contract assets		7,320,938	4,478,688
Inventories	13	84,529	526,139
Deferred cost		9,973,139	9,747,322
Current tax receivable		-	4,483,963
Total current assets		157,147,154	135,030,945
Non-current assets			
Right-of-use assets	23	8,418,672	11,308,587
Property, plant and equipment	10	2,317,954	2,970,368
Intangible assets	11	178,737,711	185,180,680
Deferred cost		108,416	198,403
Net deferred tax assets	12	17,087,799	13,971,396
Other receivables	14	1,529,409	3,492,607
Total non-current assets		208,199,961	217,122,041
TOTAL ASSETS		365,347,115	352,152,986
LIABILITIES			
Current liabilities			
Borrowings from related party	15	-	20,845,279
Trade and other payables	16	83,191,317	72,172,121
Contract liabilities	18	14,971,475	11,804,984
Accrued employee costs	17	21,607,818	26,674,716
Lease liabilities	23	1,556,240	2,079,041
Income tax payable		5,222,916	-
Total current liabilities		126,549,766	133,576,141
Non-current liabilities			
Accrued employee costs	17	22,314,030	17,495,676
Lease liabilities	23	7,860,758	10,654,736
Contract liabilities	18	889,706	3,051,730
Total non-current liabilities		31,064,494	31,202,142
TOTAL LIABILITIES		157,614,260	164,778,283
NET ASSETS		207,732,855	187,374,703
EQUITY			
Contributed equity	19	81,900,630	81,900,630
Reserves	20	1,389,581	1,389,581
Retained profits	20	124,983,026	104,176,008
Other equity		(469,393)	-
Foreign currency translation reserve		(70,989)	(91,516)
TOTAL EQUITY		207,732,855	187,374,703

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 2025

	Contributed equity	Reserves	Retained profits	Other equity	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
As at 1 April 2024	81,900,630	1,389,581	104,176,008	-	(91,516)	187,374,703
Profit for the year	-	-	20,911,206	-	-	20,911,206
Total comprehensive income for the year	-	-	20,911,206	-	-	20,911,206
Foreign currency translation differences-foreign operations	-	-	-	-	20,527	20,527
Share based payment -options not exercised by employee	-	-	59,110	-	-	59,110
Excess tax charge on share based payments	-	-	(163,298)	-	-	(163,298)
Other equity	-	-	-	(469,393)	-	(469,393)
At 31 March 2025	<u>81,900,630</u>	<u>1,389,581</u>	<u>124,983,026</u>	<u>(469,393)</u>	<u>(70,989)</u>	<u>207,732,855</u>

	Contributed equity	Reserves	Retained profits	Other equity	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>-</u>	<u>(91,516)</u>	<u>187,374,703</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 2025

	Notes	31 March 2025 \$	31 March 2024 \$
Cash flow from operating activities			
Profit before tax for the year		30,720,565	6,141,255
Depreciation and amortization	10,11	8,246,317	9,314,990
Depreciation on right-of-use	6	2,370,111	2,332,458
(Gain)/loss on sale of assets	5	(2,394)	845,514
Interest on lease liability	6	390,818	269,502
Interest on borrowings	6	300,163	1,540,331
Other interest cost	6	507,789	199,108
Other equity		(469,393)	-
Foreign currency translation differences-foreign operations		20,527	(46,671)
Change in operating assets and liabilities			
(Increase)/decrease in trade & other receivables		(17,616,259)	6,256,129
(Increase)/decrease in contract assets		(2,842,250)	5,240,224
Decrease in inventories		441,610	164,676
Increase in deferred cost		(135,829)	(2,096,417)
Increase in contract liabilities		1,004,467	4,713,441
(Decrease)/increase in accrued employee costs		(248,544)	4,121,673
Increase/(decrease) in trade & other payables		11,078,434	(27,858,605)
Cash flow from operating activities		33,766,132	11,137,608
Tax paid		(3,514,474)	(10,292,702)
Net cash generated from operating activities		30,251,658	844,906
Cash flow from investing activities			
Purchase for property, plant and equipment	10	(424,395)	(685,939)
Acquisition through business combination	11	(444,227)	-
Disposal of property, plant and equipment	10	9,538	-
Capital work in progress	10	(157,294)	3,822
Net cash used in investing activities		(1,016,378)	(682,117)
Cash flow from financing activities			
Repayment of borrowings from related party	15	(20,378,000)	(15,300,000)
Interest paid		(1,275,230)	(1,387,520)
Payment of lease liabilities including interest	23	(3,131,018)	(3,024,645)
Net cash used in financing activities		(24,784,248)	(19,712,165)
Net increase/(decrease) in cash and cash equivalents		4,451,031	(19,549,376)
Cash and cash equivalents at the beginning of the financial year		7,682,631	27,232,007
Cash and cash equivalents at the end of the year	3(g), 8	12,133,662	7,682,631

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 to as the Group). The financial report is presented in 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 C/- KELLY PARTNERS (SYDNEY) PTY LTD, Suite 5307 Level 53, 25 Martin Place, SYDNEY NSW 2000, Australia.

These consolidated financial statements of HCL Australia Services Pty. Limited for the financial year ended 31 March 2025 were authorized for issued by the directors on 3 July 2025.

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

2 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 2025. 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.

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

2 Summary of material accounting policies (continued)

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 derecognizes 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 contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in AASB 15. Revenue from the sale of goods is recognised on the transfer of the control, which generally, coincides with the time of delivery of goods.

Contract balances

- **Contract assets**

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

2 Summary of material accounting policies (continued)

- **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 or volume serviced transactions are processed that correspond with the value transferred to the customer until the 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, such as 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 an 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 the 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 the 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.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent a 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

2 Summary of material accounting policies (continued)

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., 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.

2 Summary of material accounting policies (continued)

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.

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 2024. 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 recognized

2 Summary of material accounting policies (continued)

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. 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. The Axon Australia was liquidated on 25th January 2022 and thus it is no longer part of tax consolidated group. Further, the DWS group being wholly owned by 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 the 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) the 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.

(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 the net investment in the lease, which comprises the present value of the minimum lease payments receivable, plus the present value of any 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

2 Summary of material accounting policies (continued)

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.

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.

2 Summary of material accounting policies (continued)

(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.

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.

2 Summary of material accounting policies (continued)

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.

(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 that are not low value assets 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 the 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.

2 Summary of material accounting policies (continued)

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.

(q) Changes in material accounting policies

A number of new standards, amendments to standards and interpretations are effective from 1 April 2024 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.

2 Summary of material accounting policies (continued)

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 substantive 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 amortized cost if both the following conditions are met:

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.

2 Summary of material accounting policies (continued)

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.

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.

2 Summary of material accounting policies (continued)

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.

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.

2 Summary of material accounting policies (continued)

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.

3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements 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 judgements, 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 lives 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 2025

4 Revenue from contracts with customers

	31 March 2025	31 March 2024
	\$	\$
Revenue from contract with customers	615,964,901	602,052,638
	615,964,901	602,052,638

a) Disaggregate revenue information

	31 March 2025	31 March 2024
	\$	\$
<u>Contract type</u>		
Fixed price	303,741,818	282,871,770
Time and material	296,779,866	300,482,238
Sale of goods	15,443,217	18,698,630
Total revenue from contract with customers	615,964,901	602,052,638

	31 March 2025	31 March 2024
	\$	\$
<u>Timing of revenue recognition</u>		
Goods transferred at a point in time	15,443,217	18,698,630
Services transferred over time	600,521,684	583,354,008
Total revenue from contract with customers	615,964,901	602,052,638

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

	31 March 2025	31 March 2024
	\$	\$
Australia	586,226,374	582,342,725
USA	1,540,942	3,267,926
Rest of world	28,197,585	16,441,987
	615,964,901	602,052,638

b) Contract balances

	31 March 2025	31 March 2024
	\$	\$
Trade and unbilled receivables including receivables from related parties	121,286,573	102,295,969
Contract assets	7,320,938	4,478,688
Contract liabilities (Note 19)	(15,861,181)	(14,856,714)
	112,746,330	91,917,943

5 Other operating expenses

	31 March 2025	31 March 2024
	\$	\$
Finance cost	(222,011)	(258,728)
Profit/(loss) on disposal of asset	2,394	(845,514)
Miscellaneous Income	91,170	65,212
	(128,447)	(1,039,030)

6 Expenses

	31 March 2025	31 March 2024
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Furniture, fittings and equipment	319,473	479,337
Computers	907,486	1,244,370
Amortisation of intangible assets	7,019,358	7,591,283
Right to use assets	2,370,111	2,332,458
Total depreciation and amortisation	10,616,428	11,647,448
<i>Finance costs</i>		
Interest on borrowings	300,163	1,540,331
Interest on lease liability	390,818	269,502
Other interest cost	507,789	199,108
Total finance cost	1,198,770	2,008,941
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	140,065	34,644
<i>Defined contribution superannuation expense</i>	22,274,309	21,938,422
<i>Employee benefits expense</i>	284,405,997	304,134,581
<i>Profit/(loss) on disposal of asset</i>	2,394	(845,514)

7 Income tax expense

	31 March 2025	31 March 2024
	\$	\$
(a) Income tax expense		
Current tax expense	12,661,307	5,681,498
Deferred tax expense	(3,099,722)	(3,429,059)
Adjustments for current tax of prior periods	96,028	(71,691)
Adjustments for deferred tax of prior periods	(312,269)	11,713
Others (CIT)	464,015	17,158
Income tax expense	9,809,359	2,209,619
(b) Numerical reconciliation of income tax expense to prima facie tax payable:		
Profit from continuing operations before income tax expense	30,720,565	6,141,255
Tax at the Australian tax rate of 30% (2024 - 30%)	9,216,170	1,842,377
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	452,787	17,158
Permanent Difference	356,642	410,063
	10,025,599	2,269,598
Adjustments for current tax of prior periods	(216,240)	(59,979)
Income tax expense	9,809,359	2,209,619
(c) Imputation credits		
Balance as at 1st April	135,642,025	127,357,666
Tax payments net of refunds	1,889,677	8,284,359
Balance as at 31st March	137,531,702	135,642,025

8 Cash and cash equivalents

	31 March 2025	31 March 2024
	\$	\$
Cash at bank and on hand	12,133,662	7,682,631
	12,133,662	7,682,631

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

9 Trade and other receivables

	31 March 2025	31 March 2024
	\$	\$
Trade receivables		
Unsecured	64,908,790	62,155,324
Provision for expected credit losses	(874,426)	(1,130,590)
	64,034,364	61,024,734
Receivables from related parties	28,743,352	9,001,953
Prepayments and other assets	4,376,522	4,715,819
Employee advances	1,329,414	151,666
Unbilled receivables	28,508,857	32,269,282
Finance lease receivables	642,377	948,748
	127,634,886	108,112,202

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 2025	31 March 2024
	\$	\$
At the beginning of the year	1,130,590	917,674
Movement during the year	(256,164)	212,916
At the end of the year	874,426	1,130,590

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 2025 and 31 March 2024 are determined as follows:

As at 31 March 2025

	Current	Upto 6 months past due	More than 6 months past due	Total
Expected loss rate (%)	0.01	0.64	99.60	1.35
Gross carrying amount (\$)	51,399,309	12,719,632	789,849	64,908,790
Expected credit losses (\$)	5,779	81,954	786,693	874,426

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

10 Property, plant and equipment

	Furniture, fittings and equipment \$	Computer equipment \$	Total \$
At 31 March 2025			
Opening net book amount	2,100,467	869,901	2,970,368
Additions	207,331	217,064	424,395
Fixed asset written off	(44,507)	(7,549,359)	(7,593,866)
Movement in capital work in progress	157,294	-	157,294
Depreciation on assets written off	37,363	7,549,359	7,586,722
Depreciation	(319,473)	(907,486)	(1,226,959)
Net book amount	<u>2,138,475</u>	<u>179,479</u>	<u>2,317,954</u>

At 31 March 2025			
Cost	3,765,341	7,769,228	11,534,569
Accumulated depreciation	(1,626,866)	(7,589,749)	(9,216,615)
Net book amount	<u>2,138,475</u>	<u>179,479</u>	<u>2,317,954</u>

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>

11 Intangible assets

	Goodwill \$	Intellectual property rights \$	Customer Relationships \$	Total \$
At 31 March 2025				
Opening net book amount	166,917,148	4,900,009	13,363,523	185,180,680
Addition through business combination	135,847	-	440,542	576,389
Amortisation	-	(2,799,996)	(4,219,362)	(7,019,358)
Net book amount	<u>167,052,995</u>	<u>2,100,013</u>	<u>9,584,703</u>	<u>178,737,711</u>

At 31 March 2025				
Cost	167,052,995	14,000,000	29,266,593	210,319,588
Accumulated amortisation	-	(11,899,987)	(19,681,890)	(31,581,877)
Net book amount	<u>167,052,995</u>	<u>2,100,013</u>	<u>9,584,703</u>	<u>178,737,711</u>

At 31 March 2024				
Opening net book amount	166,917,148	7,700,006	18,154,809	192,771,963
Amortisation	-	(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 amortisation	-	(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>

11 Intangible assets (continued)

On 23 May 2024, HCL Technologies Limited ('HCLT'), the ultimate parent company signed a definitive agreement to carve-out and acquire business related to certain intellectual property rights (IPs), customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE. The acquisition got consummated, post-regulatory approvals on 1 December 2024. The acquisition will enable HCL Technologies Limited ('HCLT') to gain a portfolio of service offerings that includes industry-leading IPs, solutions and systems integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

Out of the overall deal purchase price of \$ 210Mn, the company has paid the purchase price of AUD 90,383 which has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount (in AUD)
Goodwill	135,847
DTL on goodwill	(132,163)
Employee liability	(259,955)
Customer relationship	440,542
Deferred revenue	(93,889)
Total purchase consideration	90,383

12 Deferred tax assets

Components of deferred tax assets and liabilities as on 31 March 2025

	Opening balance \$	Recognized in profit or loss \$	Recognized directly in equity against tax liability \$	Closing balance \$
Deferred tax assets				
Provision for expected credit losses	339,177	(76,849)	-	262,328
Accrued employee costs	17,411,770	746,138	-	18,157,908
Employee stock compensation	120,524	-	(163,298)	(42,774)
Lease liability	3,643,475	(872,154)	-	2,771,321
Provision for expenses	1,786,046	549,628	-	2,335,674
Gross deferred tax assets (A)	23,300,992	346,763	(163,298)	23,484,457
Deferred tax liabilities				
Depreciation and amortization	332,194	(177,934)	-	154,260
Deferred revenue	49,018	(4,013)	-	45,005
Prepayments	113,299	114,893	-	228,192
Unrealized gain/loss	(36,724)	804	-	(35,920)
Right of use assets	3,392,576	(893,043)	-	2,499,533
Intangibles	5,479,233	(2,105,808)	132,163	3,505,588
Gross deferred tax liabilities (B)	9,329,596	(3,065,101)	132,163	6,396,658
Net deferred tax assets (A-B)	13,971,396	3,411,864	(295,461)	17,087,799

12 Deferred tax assets (continued)

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 liability	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)
Right of use assets	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

13 Inventories

	31 March 2025 \$	31 March 2024 \$
Trading material (at cost)	84,529	526,139

14 Other receivables

	31 March 2025 \$	31 March 2024 \$
Prepayments and other assets	537,785	100,431
Unbilled receivables	398,709	2,651,339
Finance lease receivables	592,915	740,837
	1,529,409	3,492,607

15 Borrowings with related party

	31 March 2025 \$	31 March 2024 \$
HCL Technologies UK Limited		
Principal portion	-	20,378,000
Interest component	-	467,279
	-	20,845,279

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. Interest was applicable at the rate of 3 month bank bill SWAP rate +57 basis points. The loan was completely paid off in the current year.

16 Trade and other payables

	31 March 2025 \$	31 March 2024 \$
Trade payables	5,519,954	3,779,716
Amounts owing to related entities	34,499,852	29,983,770
Other employee payables	13,405,473	12,802,252
Provisions and accruals	16,290,668	10,694,759
Other payables	13,475,370	14,911,624
	83,191,317	72,172,121

17 Accrued employee costs

	31 March 2025 \$	31 March 2024 \$
Leave encashment		
Opening balance	37,744,741	33,801,035
Add: Provision	15,625,677	15,502,371
Less: Reversal/payouts	(12,326,488)	(11,558,665)
Closing balance	41,043,930	37,744,741

HCL Australia Services Pty. Limited
Notes to the consolidated financial statements
31 March 2025

	31 March 2025	31 March 2024
	\$	\$
17 Accrued employee costs (continued)		
Leave encashment	19,430,084	20,263,153
Employee stock option plan	357,889	2,456,729
Super annuation	1,819,845	3,954,834
Current portion	21,607,818	26,674,716
Leave encashment	21,613,846	17,481,588
Employee stock option plan	365,789	-
Accrued employee bonus	334,395	14,088
Non current portion	22,314,030	17,495,676
	43,921,848	44,170,392
18 Contract liabilities		
	31 March 2025	31 March 2024
	\$	\$
Current	14,971,475	11,804,984
Non-current	889,706	3,051,730
	15,861,181	14,856,714
19 Contributed equity		
	31 March 2025	31 March 2024
	\$	\$
Ordinary shares (81,900,630 shares of \$1.00 each)	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.		
20 Reserves and retained profits		
	31 March 2025	31 March 2024
	\$	\$
(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	104,176,008	100,168,620
Net profit for the year	20,911,206	3,931,636
Share based payment -options not exercised by employee	59,110	-
Excess tax (charge)/benefit on share based payments	(163,298)	75,752
Balance 31 March	124,983,026	104,176,008
(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.		
(d) Other equity		
HCL Technologies Limited ('HCLT'), the ultimate parent company has provided equity-based incentives under RSU Plans to eligible employees of HCLT and its subsidiaries which are administered by the Nomination and Remuneration Committee (NRC) of the Company through a controlled Trust. The restricted stock units (RSUs) granted under the plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.		
Share based payments to employees represents reimbursement of cost to HCLT, towards RSUs granted by HCLT to the employees of the Company. The fair value of these RSUs are determined using the Black-Scholes Model for RSUs with time and non-market performance based vesting conditions. The Company reimburses for the actual cost of treasury shares to HCLT upon exercise. Excess cost over the fair value is treated as a reduction in equity (security premium).		
21 Remuneration of auditor		
	31 March 2025	31 March 2024
	\$	\$
Fees paid to KPMG Australia for audit of consolidated financial statements	217,360	198,000

22 Contingencies

The Group has given a financial guarantee for \$128,260 (2024: \$128,260). Other than this, there is no contingent assets and liabilities as at 31 March 2025 (2024: \$Nil).

23 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 2025	31 March 2024
	\$	\$
Balance as at 1 April	11,308,587	3,524,028
Additions to right-of-use assets	144,394	10,505,150
Derecognition of right-of-use assets	(648,294)	(388,133)
Depreciation charged for the year	(2,370,111)	(2,332,458)
Other adjustment	(15,904)	-
Balance as at 31 March	<u>8,418,672</u>	<u>11,308,587</u>

(ii) Amounts recognised in profit or loss

Interest on lease liabilities	390,818	269,502
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(iii) Amounts recognised in statement of cash flows

Payment of lease liabilities	3,131,018	3,024,645
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(iv) Reconciliation of lease liability

Balance as on 1 April	12,733,777	5,164,715
Additions of lease liabilities	71,715	10,660,434
Derecognition of lease liability	(648,294)	(336,229)
Payments made	(3,131,018)	(3,024,645)
Interest expense	390,818	269,502
Balance as at 31 March	<u>9,416,998</u>	<u>12,733,777</u>

The following presents a maturity analysis of expected undiscounted cash flows for lease liabilities :

	31 March 2025	31 March 2024
	\$	\$
Less than one year	2,463,751	3,443,201
One to five years	6,608,713	10,258,772
More than five years	1,389,018	2,383,662
Total lease payments	<u>10,461,482</u>	<u>16,085,635</u>
Imputed interest	1,044,484	3,351,858
Total lease liabilities	<u>9,416,998</u>	<u>12,733,777</u>

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	Present value of minimum lease payments receivable
As at 31 March 2025			
Not later than one year	696,476	54,099	642,377
Later than one year and not later than 5 years	625,086	32,171	592,915
	<u>1,321,562</u>	<u>86,270</u>	<u>1,235,292</u>
As at 31 March 2024			
Not later than one year	987,204	38,456	948,748
Later than one year and not later than 5 years	783,508	42,671	740,837
	<u>1,770,712</u>	<u>81,127</u>	<u>1,689,585</u>

24 Commitments

There are capital commitments as at balance sheet date 31 March 2025 of \$815,389 (2024: \$21,304).

25 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")

	31 March 2025	31 March 2024
<u>Outstanding Balances as at 31 March</u>	<u>\$</u>	<u>\$</u>
Account owing by HCL Technologies Limited (note 10)	14,037,646	1,323,003
Account owing by other related entities (note 10)	14,705,706	7,678,950
Deferred cost-HCL Technologies Limited	9,902,910	9,653,999
Deferred cost-other related entities	-	291,726
Payable to HCL Technologies Limited (note 17)	23,661,108	25,205,523
Payable to related entities (note 17)	10,838,745	4,778,247
Borrowings with related party (note 16)	-	20,845,279

26 Compensation to key management personnel

Compensation to key management personnel is \$842,543 (2024: \$763,940)

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.

27 Events occurring after the balance sheet date

There have been no significant subsequent events since the year ended 31 March 2025 that would have material impact on the statement of financial position of the Company as shown in these financial statements.

28 Group Information

Information about subsidiaries

The consolidated financial statements of the group includes:

Name with country of incorporation	31 March 2025	31 March 2024
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.

29 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

29 Deed of cross guarantee (continued)

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.

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 2025	31 March 2024
	\$	\$
Revenue from contract with customers	615,173,480	601,345,346
Cost of sales	(502,042,929)	(510,225,047)
Gross profit	113,130,551	91,120,299
Other operating expenses	(128,710)	(1,038,427)
Selling and distribution expenses	(48,062,302)	(45,020,868)
Administrative expenses	(33,843,476)	(37,755,586)
Operating profit	31,096,063	7,305,418
Finance income	993,585	928,659
Finance costs	(1,196,751)	(1,994,774)
Profit before income tax	30,892,897	6,239,303
Income tax expenses	(9,809,359)	(2,003,182)
Profit after income tax	21,083,538	4,236,121
Other comprehensive income for the year (net of tax)	-	-
Total comprehensive income for the year	21,083,538	4,236,121

Consolidated statement of financial position

	31 March 2025	31 March 2024
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	11,947,128	7,305,287
Trade and other receivables	127,556,692	108,091,722
Contract assets	7,298,236	4,449,035
Inventories	84,529	526,139
Deferred cost	9,973,139	9,747,322
Current tax receivable	-	4,327,578
Total current assets	156,859,724	134,447,083
Non-current assets		
Right-of-use assets	8,418,672	11,308,587
Property, plant and equipment	2,317,957	2,970,014
Intangible assets	178,737,712	185,180,680
Deferred cost	108,411	198,403
Net deferred tax assets	17,076,699	13,960,170
Other receivables	1,529,409	3,492,606
Total non-current assets	208,188,860	217,110,460
TOTAL ASSETS	365,048,584	351,557,543
LIABILITIES		
Current liabilities		
Borrowings from related party	-	20,845,279
Trade and other payables	84,925,710	75,949,879
Contract liabilities	14,890,261	11,738,324
Accrued employee costs	19,742,402	22,619,011
Lease liabilities	1,556,240	2,079,041
Income tax payable	5,235,853	-
Total current liabilities	126,350,466	133,231,534
Non-current liabilities		
Accrued employee costs	22,314,030	17,495,676
Lease liabilities	7,860,758	10,654,736
Contract liabilities	889,706	3,051,730
Total non-current liabilities	31,064,494	31,202,142
TOTAL LIABILITIES	157,414,960	164,433,676
NET ASSETS	207,633,624	187,123,867

29 Deed of cross guarantee (continued)

Consolidated statement of financial position (continued)

	31 March 2025	31 March 2024
	\$	\$
EQUITY		
Contributed equity	81,900,630	81,900,630
Reserves	1,389,581	1,389,581
Retained profits	124,343,413	103,833,656
TOTAL EQUITY	207,633,624	187,123,867

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

	31 March 2025	31 March 2024
	\$	\$
Current assets	132,996,794	106,491,778
Non current assets	183,135,760	184,680,773
Total assets	316,132,554	291,172,551
Current liabilities	97,621,050	102,786,260
Non current liabilities	23,308,955	20,967,031
Total liabilities	120,930,005	123,753,291
Contributed equity	81,900,630	81,900,630
Reserves	1,389,581	1,389,581
Retained profits	111,912,337	84,129,049
Total equity	195,202,548	167,419,260
Profit of the Parent entity	26,140,121	18,257,401
Total comprehensive income of the Parent entity	26,140,121	18,257,401

31 Financial instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

	31 March 2025	31 March 2024
	\$	\$
Financial assets measured at amortised cost		
Trade and other receivables	129,164,295	111,604,809
Cash and cash equivalents	12,133,662	7,682,631
Contract assets	7,320,938	4,478,688
Total	148,618,894	123,766,128
Financial liabilities measured at amortised cost		
Borrowings	-	20,845,279
Trade and other payables	83,191,317	72,172,121
Lease Liabilities	9,416,998	12,733,777
Contract liabilities	15,861,181	14,856,714
Accrued employee costs	43,921,848	44,170,392
Total	152,391,344	164,778,283

(b) Financial risk management

The Group is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks.

The Group's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

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 2025 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 2025 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 29 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: 3.07.2025
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 Company gives a true and fair view, including of the **Group's** financial position as at 31 March 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 March 2025
- 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 in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that 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: https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf This description forms part of our Auditor's Report.



KPMG

Richard Drinnan
Partner

Sydney

3 July 2025