

CYIENT

Cyient Australia Pty Ltd
ACN 601 669 327

FINANCIAL YEAR ENDED
31 March 2025

Consolidated Financial Statements

Contents

	Page
Directors' Report	3
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	39
Independent Auditor's Report	40

Directors' Report for the year ended 31 March 2025

The directors of Cyient Australia Pty Ltd ("the Company") and its subsidiaries ("Group") present their report, together with the consolidated financial statements, on the Group for the year ended 31 March 2025.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<i>Names</i>	<i>Position</i>	<i>Appointed</i>
Peri Naga Surya Venkata Narassimham	Director	10 July 2023
Herman Kleynhens	Director	15 July 2021

Principal activities

The principal activities of the Company during the financial year was offering engineering, data analytics, networks, operations solutions, planning, designing and consultancy.

During the financial year, there were no significant changes in the nature of those activities.

Review of operations

The profit of the Group after providing for income tax expense amounted to \$ 5,437,918 (2024 profit of \$ 3,172,630)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of Cyient Australia Pty Ltd under option outstanding at the date of this report.

Directors' Report
for the year ended 31 March 2025

Shares issued on the exercise of options

There were no ordinary shares of Cyient Australia Pty Ltd issued on the exercise of options during the year ended 31 March 2025.

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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.

Rounding of amounts

The Group is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Peri Naga Surya Venkata Narassimham
Director

Melbourne, Victoria
Dated: 31 May 2025

DRAFT AUDITOR'S INDEPENDENCE DECLARATION

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2025

	Notes	2025 \$	2024 \$
Revenue	3	85,467,734	98,863,104
Other income	4	482,504	361,791
EXPENSES			
Employee benefits expense	5	(37,335,643)	(36,650,133)
Finance costs	6	(513,298)	(957,649)
Depreciation and amortisation expense	7	(1,837,215)	(2,116,981)
Other expenses	8	(39,435,211)	(55,144,133)
Share of profit of an associate	13	443,660	423,246
Profit before income tax		7,272,531	4,779,245
Tax expense			
Current tax	9	2,034,140	80,320
Tax pertaining to earlier years		-	915,223
Deferred tax	9	(199,527)	611,072
Income tax expense	9	(1,834,613)	(1,606,615)
Profit after income tax for the year		5,437,918	3,172,630
Other comprehensive income (net of tax)			
Items that will be reclassified subsequently to statement of profit and loss:			
Exchange differences in translating the financial statements of foreign operations	24	(89,722)	106,642
Total comprehensive income for the year		5,348,196	3,279,272

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as on 31 March 2025

	Notes	2025	2024
		\$	\$
Current assets			
Cash and cash equivalents	10	5,469,196	8,851,206
Trade receivables	11	18,111,223	23,488,545
Other financial assets	12	24,009,095	18,897,690
Prepayments	14	1,037,228	1,455,414
Income tax assets	9.2	792,002	2,745,889
Total current assets		<u>49,418,744</u>	<u>55,438,744</u>
Non-current assets			
Investments in an associate	13	3,770,671	3,327,011
Other financial assets	12	132,775	51,755
Prepayments	14	211	3,749
Property, plant and equipment	15	496,313	565,041
Right of use assets	16	2,340,177	959,867
Intangible assets	17	714,840	1,583,391
Goodwill	18	17,440,000	17,440,000
Total non-current assets		<u>24,894,986</u>	<u>23,930,814</u>
Total assets		<u>74,313,730</u>	<u>79,369,558</u>
Current liabilities			
Trade payables	19	37,078,919	46,230,784
Employee benefits	20	1,517,242	1,617,392
Other current liabilities	21	1,572,286	1,678,703
Other current financial liabilities	22	602,871	2,686,302
Total current liabilities		<u>40,771,318</u>	<u>52,213,181</u>
Non-current liabilities			
Employee benefits	20	1,793,933	1,969,460
Deferred tax liability	9.2	2,029,846	2,418,677
Other non-current financial liabilities	22	1,949,974	347,970
Total non-current liabilities		<u>5,773,753</u>	<u>4,736,107</u>
Total liabilities		<u>46,545,071</u>	<u>56,949,288</u>
Net Assets		<u>27,768,659</u>	<u>22,420,270</u>
EQUITY			
Issued capital	23	1,000	1,000
Retained earnings	24	27,763,418	22,325,307
Foreign currency translation reserve	24	4,241	93,963
		<u>27,768,659</u>	<u>22,420,270</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

	Issued Capital \$ (Note 24)	Retained Earnings \$ (Note 25)	Foreign currency Translation Reserve \$ (Note 25)	Total \$
Balance at 31 March 2023	1,000	19,168,800	(12,679)	19,157,121
Total comprehensive income for the year	-	3,172,630	106,642	3,279,272
Earnout consideration-LGAAP Adjustment	-	(16,123)	-	(16,123)
Balance at 31 March 2024	1,000	22,325,307	93,963	22,420,270
Comprehensive income for the year	-	5,437,918	(89,722)	5,348,196
Earnout consideration-LGAAP Adjustment	-	193	-	193
Balance at 31 March 2025	1,000	27,763,418	4,241	27,768,659

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 31 March 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		94,590,575	99,430,210
Payments to suppliers and employees (inclusive of GST)		(94,962,868)	(80,778,753)
Interest received		26,925	133,251
Income tax paid		(80,253)	(4,519,067)
Net cash from operating activities		(425,621)	14,265,641
Cash flows from investing activities			
Payments for property, plant and equipment		(899,936)	(862,509)
Payments for investment in an associate			
Dividend from Associate		443,660	(2,255,198)
Payments for intangible assets		(1,380,310)	(774,096)
Security deposits paid		(81,020)	
Receipts from refunds of security deposits		-	-
Interest received		26,925	133,251
Net cash used in investing activities		(1,890,681)	(3,758,552)
Cash flows from financing activities			
Interest and other finance charges paid		(327,789)	(914,151)
Lease payments		(737,919)	(812,450)
Proceeds from borrowings		-	-
Repayment of borrowings		-	(8,698,672)
Net cash used in financing activities		(1,065,708)	(10,425,273)
Remittance in transit		-	3,567,399
Net increase in cash and cash equivalents		(3,382,010)	81,816
Cash and cash equivalents at beginning of the financial year		8,851,206	5,201,991
Cash and cash equivalents at end of the financial year	10	5,469,196	8,851,206

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Cyient Australia Pty Limited
Notes to consolidated financial statements for the year ended 31 March 2025

3. Revenue

	2025	2024
Revenue from contracts with customers	\$	\$
Rendering of services	85,467,734	98,863,104

Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by contract type, geography and timing of recognition for each of the Company's business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	2025	2024
Revenues by contract type	\$	\$
Fixed-price	77,209,149	89,139,332
Time and material	8,258,585	9,723,772
	<u>85,467,734</u>	<u>98,863,104</u>
Services transferred over time	85,467,734	98,863,104
Total	<u>85,467,734</u>	<u>98,863,104</u>

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

Time and material:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

4. Other income

	2025	2024
	\$	\$
Dividend income on investment carried at	-	-
Interest income	26,925	133,251
	<u>26,925</u>	<u>133,251</u>
Other non-operating income		
Net foreign exchange gain	167,259	-
Miscellaneous income	(167,523)	101,438
Provision no longer required	43,502	-
Interest on IC Loans	412,341	127,102
	<u>455,579</u>	<u>228,540</u>
	<u>482,504</u>	<u>361,791</u>

Cyient Australia Pty Limited

Notes to consolidated financial statements for the year ended 31 March 2025

5. Employee benefits expense

	2025	2024
	\$	\$
Salaries and wages, including bonus	33,868,524	33,292,218
Defined contribution superannuation expenses	3,000,701	2,943,445
Other employee benefits	466,418	414,470
	37,335,643	36,650,133

5A. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2025	2024
	\$	\$
Aggregate compensation	1,756,430	2,025,725
	1,756,430	2,025,725

Key Managerial Personnel (KMP):

Name	Designation
Prabhakar Atla	President & Chief financial officer
Komadina Joip	Senior Director - Sales
Kleynhans Herman	Vice President
Kleynmans Nicola	Associate Vice President
Margoulis Iouri	Managing Director

6. Finance costs

	2025	2024
	\$	\$
Interest on bank overdrafts and borrowings	73,997	360,141
Other interest expense	378,015	554,010
Interest on lease liability	61,286	43,498
	513,298	957,649

7. Depreciation and amortisation expense

	2025	2024
	\$	\$
Depreciation of property, plant and equipment	170,643	174,362
Depreciation on right of use assets	798,021	776,633
Amortisation of intangible assets	868,551	1,165,986
	1,837,215	2,116,981

8. Other expenses

	2025	2024
	\$	\$
Sub-contracting charges	34,344,721	48,034,443
Rent including lease rentals	234,877	125,283
Rates and taxes	74,860	67,993
Travelling and conveyance	2,063,173	1,654,974
Communication expenses	138,204	153,996
Marketing expenses	176,618	129,561
Legal and professional charges	1,080,279	1,052,578
Provision for contract assets	166,400	619,543
Auditors' remuneration - audit of financial statements	49,500	49,500
Net foreign exchange losses	-	840,170
Gain/loss on FV of FI	-	314,599
Recruitment, training and development expenses	187,890	428,576
Miscellaneous expenses	918,689	1,672,917
	39,435,211	55,144,133

9. Income taxes

9.1 Income tax expense

A. Income tax expense:

	2025	2024
	\$	\$
Current tax	2,034,140	80,320
Adjustment recognised for prior periods	-	915,223
Deferred tax-origination and reversal of temporary differences	(199,527)	611,072
Aggregate income tax expense	1,834,613	1,606,615

Numerical reconciliation of income tax expense and tax at the statutory rate:

	2025	2024
	\$	\$
Profit before income tax	7,272,531	4,779,245
Tax at the statutory tax rate of 30% (2022:30%)	2,181,759	1,433,774

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Share of profit of an associate	(133,098)	(126,974)
Amortisation of customer contracts & acquisition related costs		349,796
Deferred tax adjustment recognised for prior periods	-	(349,796)
Other adjustments		299,815
Income tax expense	2,048,661	1,606,615

9.2. Deferred tax assets and liabilities

A. The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

	2025	2024
	\$	\$
Deferred tax liabilities	(2,029,846)	(2,418,677)
Income tax liabilities, net	(792,002)	(2,745,889)

9.2 Deferred tax liability

	2025	2024
	\$	\$
Deferred tax liability (net) comprises temporary differences attributable to:		
Contract assets and liabilities	2,909,617	3,407,877
Gain on bargain purchase	243,224	243,224
Intangible assets	539,624	539,624
Accruals	(47,778)	(47,778)
Employee benefits	(1,752,174)	(1,752,174)
Right of use assets	6,899	6,899
Advance From Customers	-	(295,292)
Provision for bad and doubtful debts	316,297	316,297
	2,215,709	2,418,677
<i>Movements:</i>		
Opening balance	2,418,677	1,759,471
Charged to profit and loss	(199,527)	611,072
Translation impact	(16,043)	48,134
Closing balance	2,203,106	2,418,677

9.3. Income tax assets and liabilities

The following is the analysis of income tax assets/(liabilities) presented in the consolidated balance sheet:

	2025	2024
	\$	\$
Income tax liabilities, net	(639,710)	(2,745,889)

Cyient Australia Pty Limited
Notes to consolidated financial statements for the year ended 31 March 2025

10. Current assets-cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank	5,469,196	8,851,206
	<u>5,469,196</u>	<u>8,851,206</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

11. Current assets-trade receivables

	2025	2024
	\$	\$
Trade receivables	18,588,945	24,542,870
Less: Allowance for expected credit losses	(477,722)	(1,054,325)
	<u>18,111,223</u>	<u>23,488,545</u>

Trade receivables are non-interest bearing and are generally on terms of 30 to 62 days

Expected credit loss (ECL):

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The average credit period is between 60-90 days. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits for each customer. Limits and scoring attributed to customers are reviewed once a year.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the consolidated statement of profit and loss.

12. Other financial assets

	2025	2024
	\$	\$
Contract assets	11,590,095	13,574,089
Loan to Related Parties	11,849,555	5,112,450
Interest on IC loans	547,856	128,113
Other receivables	1,449	1,449
Advances to employees	20,140	81,589
	<u>24,009,095</u>	<u>18,897,690</u>
Non-current:		
Security deposits - Unsecured and considered good	132,775	51,755
	<u>132,775</u>	<u>51,755</u>
	<u>24,141,870</u>	<u>18,949,445</u>

13. Investment in an associate

	2025	2024
	\$	\$
Non-current		
Investment in an associate	3,770,671	3,327,011
	<u>3,770,671</u>	<u>3,327,011</u>

On 26 July 2018, the Company acquired 86% interest in Cyient KK, a company incorporated in Japan. The key business decisions of Cyient KK are made by Cyient Limited, India, (the Ultimate Parent Entity) and the Company has significant influence over Cyient KK. The investment in Cyient KK is accounted for using the equity method.

The associate had no contingent liabilities or capital commitments as at 31 March 2025 and 2024.

	2025	2024
	\$	\$
Group's share in the profit of associate	443,660	423,246
Dividend income on investment carried at cost	-	2,678,444
	<u>443,660</u>	<u>3,101,690</u>

Cyient Australia Pty Limited
Notes forming part of the financial statements

14. Other assets

Particulars	2025 \$	2024 \$
Non-current:		
Prepaid expenses	211	3,749
Total other non-current assets	211	3,749
Current:		
Prepaid expenses	985,107	1,411,666
Advances to suppliers	52,121	43,748
Total	1,037,228	1,455,414
Total other assets	1,037,439	1,459,163

Cyient Australia Pty Limited
Notes to consolidated financial statements for the year ended 31 March 2025

15. Property, plant and equipment

	2025	2024
	\$	\$
Leasehold improvements - at cost	419,622	419,622
Less: Accumulated depreciation	(398,641)	(398,641)
	<u>20,981</u>	<u>20,981</u>
Plant and equipment - at cost	1,489,590	1,390,852
Less: Accumulated depreciation	(1,086,130)	(958,926)
	<u>403,460</u>	<u>431,926</u>
Furniture and fixtures - at cost	493,143	486,934
Less: Accumulated depreciation	(421,270)	(374,800)
	<u>71,872</u>	<u>112,134</u>
	<u>496,313</u>	<u>565,041</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Total
	\$	\$	\$	\$
Balance at 31 March 2023	<u>20,981</u>	<u>474,170</u>	<u>158,376</u>	<u>653,526</u>
Additions	-	85,876		85,876
Depreciation expense	-	128,120	46,242	174,362
Balance at 31 March 2024	<u>20,981</u>	<u>431,926</u>	<u>112,134</u>	<u>565,040</u>
Additions	-	98,738	6208.54	104,946
Deletion	-	3,031	-	3,031
Depreciation expense	-	124172.77	46,470.03	170,643
Balance at 31 March 2025	<u>20,981</u>	<u>403,460</u>	<u>71,873</u>	<u>496,314</u>

Cyient Australia Pty Limited
Notes to consolidated financial statements for the year ended 31 March 2025

16. Right of use assets ("ROU" assets)

(a) Movement in the carrying value of right of use assets is as below:

	ROU - Buildings	
	2025	2024
	\$	\$
Balance as at beginning of the year	959,867	185,772
Additions	2,228,346	1,550,728
Termination	(50,015)	
Depreciation	(798,021)	(776,633)
Balance as at end of the year	2,340,177	959,867

The following is the break-up of current and non-current lease liabilities:

	2025	2024
	\$	\$
Current lease liabilities	594,740	645,033
Non-current lease liabilities	1,949,974	347,970

The following is the movement in lease liabilities during the year ended:

	2025	2024
	\$	\$
Balance at the beginning of the year	993,004	211,228
Additions	2,228,346	1,550,728
Interest on lease liability	61,286	43,498
Payment of lease liabilities	(737,919)	(812,450)
Termination during the year		
Balance at the end of the year	2,544,717	993,004

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

Particulars	2025	2024
Less than one year	685,117	152,417
One to five years	2,053,919	61,267
Total	2,739,036	213,684

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 31 March 2024 was \$ Nil (2024: \$ Nil).

Cyient Australia Pty Limited

Notes to consolidated financial statements for the year ended 31 March 2025

17. Intangible assets

	2025	2024
	\$	\$
Computer software-at cost	249,439	249,439
Less: Accumulated amortisation	<u>(249,439)</u>	<u>(249,439)</u>
	-	-
Non Compete Agreement	1,586,047	1,586,047
Less: Accumulated amortisation	<u>(1,376,751)</u>	<u>(1,262,625)</u>
	<u>209,296</u>	<u>323,422</u>
Technology/IP - at cost	320,000	320,000
Less: Accumulated amortisation	<u>(320,000)</u>	<u>(320,000)</u>
	-	-
Customer contracts - at cost	7,341,214	7,341,214
Less: Accumulated amortisation	<u>(6,835,670)</u>	<u>(6,081,246)</u>
	<u>505,544</u>	<u>1,259,968</u>
	<u>714,840</u>	<u>1,583,391</u>

Particulars	Non Compete Agreement	Customer contracts	Total
Balance at 31 March 2023	589,588	2,159,788	2,749,375
Amortisation expense	(266,166)	(899,819)	(1,165,985)
Balance at 31 March 2024	323,422	1,259,969	1,583,391
Amortisation expense	(114,126)	(754,425)	(868,551)
Balance at 31 March 2025	209,296	505,546	714,842

18. Goodwill

	2025	2024
	\$	\$
Goodwill	17,440,000	17,440,000
Balance as at beginning of the year	17,440,000	17,440,000
Acquisitions through business combination	-	-
Balance as at end of the year	17,440,000	17,440,000

Goodwill of \$ 17,440,000 (March 31, 2024: \$ 17,440,000) is attributed to the Consultancy CGU and WFD acquisition.

Goodwill of \$17,440,000 was allocated to the Consultancy CGU. The estimated value-in-use of the Consultancy CGU at 31 March 2025 was based on the future cash flows using a 2% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 17.5%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Cyient Australia Pty Limited

Notes to consolidated financial statements for the year ended 31 March 2025

19. Current liabilities-trade payables

	2025	2024
	\$	\$
Trade payables	34,749,286	43,581,673
Employee related payables	2,329,633	2,649,111
	37,078,919	46,230,784

Trade payables are non-interest bearing and are normally settled on 30 - 60 days.

20. Employee benefits

	2025	2024
	\$	\$
Current:		
Employee benefits	1,517,242	1,617,392
Non-current:		
Employee benefits	1,793,933	1,969,460
	3,311,175	3,586,852

21. Current liabilities-Other

	2025	2024
	\$	\$
Unearned revenue	94,279	98,219
Statutory remittances	1,478,007	1,580,484
	1,572,286	1,678,703

22. Other financial liabilities

	2025	2024
	\$	\$
Current		
Liability towards acquisition of business	(5)	1,415,331
Lease liabilities	594,740	645,032
Collections against factoring	-	625,939
Interest accrued	8,136	-
	602,871	2,686,302
Non-current		
Lease liabilities	1,949,974	347,970
	1,949,974	347,970
	2,552,845	3,034,272

Cyient Australia Pty Limited

Notes to consolidated financial statements for the year ended 31 March 2025

23. Equity-Issued capital

	2025	2024	2025	2024
	Shares	Shares	\$	\$
1,000 equity shares of 1 AUD each (Ordinary shares fully paid)	1,000	1,000	1,000	1,000

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

24. Equity-Total reserves

	2025	2024
	\$	\$
(a) Retained earnings:		
Balance at the beginning of the financial year	22,325,307	19,168,800
Profit after income tax expense for the year	5,437,918	3,172,630
Earnout consideration-LGAAP Adjustement	193	(16,123)
Balance at the end of the financial year	<u>27,763,418</u>	<u>22,325,307</u>
(b) Foreign currency translation reserve:		
Balance at the beginning of the financial year	93,963	(12,679)
Additions (net)	(89,722)	106,642
Balance at the end of the financial year	<u>4,241</u>	<u>93,963</u>
Total reserves at the end of the financial year	<u>27,767,659</u>	<u>22,419,270</u>

Nature of reserves:

(a) Retained earnings

Retained earnings comprises of prior years' undistributed earnings after taxes along with current year profit, net of dividends declared and dividend distribution tax thereon.

(b) Foreign currency translation reserve

Exchange difference relating to the translation of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

25. Financial Instruments

25.1 Capital management

The Company manages its capital to ensure that it maximises the return to stakeholders through the optimisation of the capital structure. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company is predominantly equity financed which is evident from the capital structure. During the current year, working capital loan was availed, hence net debt to equity ratio is 0% as at March 31, 2025 (16% March 31, 2024)

Gearing ratio:

Particulars	March 31, 2025	March 31, 2024
Borrowings	-	-
Cash and bank balances	5,469,196	8,851,206
Net debt	(5,469,196)	(8,851,206)
Total equity	27,768,659	22,420,270
Net debt to equity ratio	0%	0%

25.2 Financial instruments by category

Particulars	2025	2024
	\$	\$
Financial assets:		
Amortised cost		
Trade receivables	18,111,223	23,488,545
Cash and cash equivalents	5,469,196	8,851,206
Other financial assets	24,141,870	18,949,445
Total financial assets	47,722,289	51,289,196
Financial liabilities:		
Amortised cost		
Trade payables	37,078,919	46,230,784
Lease liabilities	2,544,714	993,002
Borrowings	-	-
Fair value through profit and loss		
Liability towards acquisition of business	(5)	1,415,331
Total financial liabilities	39,623,628	48,639,117

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payable, lease liability and other payables are assumed to approximate their fair values due to their short-term nature. Accordingly, fair value hierarchy is not disclosed as at year end, as there were no financial assets and liabilities which were valued at Level 1, 2, 3 categories.

Liability towards acquisition of business is measured mandatorily at fair value through consolidated statement of profit and loss. This is level 3 fair valuation i.e. Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Valuation process	Sensitivity of the inputs to fair value
	March 31, 2025	March 31, 2024			
Liability towards acquisition of business	(5)	1,415,331	Expected cash outflows	Estimate of cash outflows are based on forecasted sales and entity's knowledge of the business and how the current economic environment is likely to impact.	Any increase in expected cash flows would increase the fair value.
			Discount rate	Discount rate is the current average borrowing cost that a market participant would expect to pay to obtain its debt financing based on the assumed capital structure.	Any increase in the discount rate would result in decrease in fair value.

Cyient Australia Pty Limited
Notes to consolidated financial statements for the year ended 31 March 2025

26. Related party transactions

Parent entity information

The Company's parent entity is Cyient Limited, an entity incorporated in India.

Associates

Interests in Associates are set out in note 13.

Key management personnel

Disclosures relating to key management personnel are set out in note 5.

Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	\$	\$
Cyient Limited, India - the parent entity (Intercompany Purchases)	2,834,945	18,617,977
	<u>2,834,945</u>	<u>18,617,977</u>

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025	2024
	\$	\$
Current payables:		
Trade payables to Cyient Limited, India - the parent entity	31,166,411	33,756,490
Trade payables to Cyient Inc. - an entity controlled by the Parent	31,037	276,428
Trade payables to Cyient Europe Ltd - an entity controlled by the Parent	-	25,057
Trade payables to Cyient GmBh - an entity controlled by the Parent	-	160
Trade payables to Cyient Singapore Pvt Ltd - an entity controlled by the Parent	-	167,854
Trade payables to Cyient Insights Private Limited - an entity controlled by the Parent	(14,452)	-
Trade payables to Cyient Engineering Ab - an entity controlled by the Parent	16,251	-
Trade payables to Cyient Japan KK - an entity controlled by the Parent	17,503	16,521
Trade payables to GRIT - an entity controlled by the Parent	51	4,032,077
Trade payables to Citec Information & Engineering GmbH - an entity controlled by the Parent	3,857	30,220
Trade payables to Citec Oy Ab - an entity controlled by the Parent	11,968	98,845
	<u>31,232,625</u>	<u>38,403,652</u>

Current receivables:

Trade receivables from Cyient Limited, India - the parent entity	1,320,650	4,083,301
Trade advances paid to Cyient Limited, India - the parent entity		
Receivables from Cyient Inc. - an entity controlled by the Parent	3,959	33,201
Receivables from Cyient Insights Private Limited - an entity controlled by the Parent	473	473
Receivables from Cyient Europe Ltd - an entity controlled by the Parent	13,783	23,358
Receivables from Cyient KK - an entity controlled by the Parent	-	24,535
Receivables from Canada Inc- an entity controlled by the Parent	119,576	45,628
Receivables from Cyient Singapore Pvt Ltd - an entity controlled by the Parent	-	33,335
Receivables from GRIT - an entity controlled by the Parent	602	-
	<u>1,459,044</u>	<u>4,243,831</u>

Loans to/from related parties

Loan from GRIT - an entity controlled by the Parent	2,159,680	-
Loan to Cyient Singapore Pvt Ltd - an entity controlled by the Parent	9,689,875	5,112,450

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

27. Information relating to Cyient Australia Pty Ltd (the Parent)

	2025	2024
	\$	\$
Current assets	45,219,942	49,126,477
Current liabilities	38,236,793	57,442,210
Total assets	67,263,100	72,526,468
Total liabilities	44,256,066	62,594,804
Ordinary shares	1,000	1,000
Retained earnings	17,581,553	11,160,002
	<u>17,582,553</u>	<u>11,161,002</u>
Profit or loss of the Parent	6,421,551	5,439,643
Total comprehensive income of the Parent	6,421,551	5,439,643

The Parent has not issued any guarantees in relation to the debts of its subsidiary

The Parent has no contractual obligation to purchase any property, plant and equipment at year end 31 March 2025: Nil (March 31, 2024: Nil)

28. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities at 31 March 2025 (31 March 2024 : Nil).

29. Auditors Remuneration

Any fees or payments paid to auditors of the company for the services rendered by them.

30. Events after the reporting period

No matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

31. Commitments

Capital commitments:

The Company had no capital commitments for expenditure as at March 31, 2025 and March 31, 2024.

32.Reconciliation of profit after income tax to net cash from operating activities

	2025	2024
	\$	\$
Profit after income tax expense for the year	5,348,196	3,279,272
Adjustments for :		
Tax expense	(1,834,613)	(1,606,615)
Depreciation and amortisation expense	(1,837,215)	(2,116,981)
Finance costs	(513,298)	(957,649)
Interest income	482,504	361,791
Provision for contract assets/doubtful debts	166,400	619,543
Operating profit before working capital changes	1,811,974	(420,639)
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(5,377,322)	776,492
Other financial assets	5,192,425	8,231,201
Other assets	(421,724)	335,360
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	9,151,865	(20,606,012)
Other financial liabilities	481,427	1,446,842
Other liabilities	106,417	126,554
Cash generated from operations	10,945,062	(10,110,202)
Net income taxes paid	(1,953,887)	2,745,889
Net cash flow from operating activities	8,991,175	(7,364,313)

Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 March 2025 and of their performance for the financial year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Peri Naga Surya Venkata Narassimham
Director

Melbourne, Victoria
Dated: 31 May 2025