HCL Technologies South Africa Proprietary Limited
(Registration number 2010/015378/07)

Annual Financial Statements for the year ended 31 March 2020

Annual Financial Statements in compliance with Section 30 of the Companies Act

HCL Technologies South Africa Proprietary Limited
(Registration number 2010/015378/07)
Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Software development and related Maintenance Services.
Directors	Prateek Aggarwal (Citizenship of India) Raghu Raman Lakshmanan (Citizenship of USA) Sundaram Sridharan (Citizenship of Singapore)
Registered office	GMI House Harlequins Office Park 164 Totius Street Groenkloof 0027 Pretoria 0027
Business address	A1, The Crescent East, No.3, Eglin Road, Sunninghill, 2157
Postal address	P.O. BOX 619, Pretoria - 0001
Holding company	Anzospan Investments Proprietary Limited Incorporated in the Republic of South Africa
Ultimate Holding company	HCL Technologies Limited Incorporated in India
Bankers	Standard Chartered Bank
Auditors	KPMG Chartered Accountants (S.A.) Registered Auditors
Company registration number	2010/015378/07
Preparer of financial statements	Deepak Gupta (Associate Chartered Accountant) (India)

General Information (continued)

Contents

Approval of Audited Annual Financial Statements

The audited annual financial statements set out on pages 9 to 28 were approved by the board of directors on 9 September, 2020.

Sridharan S

Prateek Aggarwal

Prateek Aggarwal	**Sundaram Sridharan**
Authorised Director	**Authorised Director**

Directors' Report

1. Directors' Responsibilities

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year ended 31st March 2020 till the date of signing, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The board of directors are responsible for the financial affairs of the company.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their reports is presented on page 6 to 8.

2. Incorporation

The company was registered on 20 July 2010 under the name Business Venture Investments No 1429 Pty Limited, certificate to commence business was received on the same day.

Subsequently the name was changed to HCL Technologies South Africa Proprietary Limited, on 7 December 2010.

3. Business and operations

The company is engaged in software development and related maintenance services.

The company's business office is located at A1, The Crescent East, No.3, Eglin Road, Sunninghill, 2157, Johannesburg, South Africa.

4. Review of operations

The operating results and state of affairs of the company are fully set out in the attached annual financial statements.

Net profit for the year ended March'20 was R 2,362,441 (2019: Profit R 2,238,385)

5. Share capital

South African Laws related to the Broad Based Black Economic Empowerment ("BBBEE"), prescribe companies to take additional actions for upliftment of Black nationals and enhance their economic participation. The laws mandate 51% effective black ownership in South African entities for attaining Level 2 BEE rating. Level 2 BEE rating is required for companies to attain higher recognition and be eligible to participate in RFPs floated by South Africa based clients who show preference to work with service providers with at least Level 2 BEE rating.

During the year ended March 31, 2020, for attaining the shareholding requirement of 51.8% black ownership in HCL Technologies Pty Limited (formerly known as HCL Axon (Pty) Ltd) (operating entity), necessary restructuring took place wherein the company purchased 65% capital of HCL Technologies Pty Ltd and issued Class A and Class B shares to Anzospan Investment Pty Limited in lieu of purchase consideration. Further, Anzospan Investment Pty Limited transferred its 48% shares held in HCL Technologies South Africa Pty Limited to Trusts created for the benefit of black people.

Authorized Share capital comprises of 10,000,000 (ten million) each Class A and Class B no par value shares. Total issued and fully subscribed capital of the company is Class A 3,224,000 no par value shares and Class B 2,976,000 no par value shares issued to Anzospan Investment Pty Limited.

6. Directors

Particulars of the present directors is tabulated below:

Name	Type	Date of appointment	Citizenship
Prateek Aggarwal	Non-Executive Director	26th October'2018	India
Raghu Raman Lakshmanan	Non-Executive Director	14th September'2010	USA
Sundaram Sridharan	Non-Executive Director	31st March'2016	Singapore

7. Holding company

The company's holding company is Anzospan Investments Proprietary Limited, incorporated in South Africa. With effect from 31 January, 2020 Anzospan Investments Proprietary Limited sold 24% each of its holding to HCL BEE Trust and HCL Ownership Trust respectively.

8. Ultimate holding company

The company's ultimate holding company is HCL Technologies Limited incorporated in India.

9. Going concern

The Board is of the opinion that the company is financially sound and operates as a going concern. The annual financial statements have accordingly been prepared on this basis.

10. Dividends

No dividends were declared or paid to shareholders during the year (2019: Nil).

11. Auditors

KPMG were first appointed as auditor of the Company in 2020 upon the resignation of Ernst & Young. KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

12. Subsequent Event

Apart from potential impacts of coronavirus Covid-19 which is given in Note 24 to the financial statements, no material fraud or circumstances has occurred between the accounting date and date of this report which significantly affect the financial position of the company or the results of its operations.

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Independent Auditor's Report

To the shareholders of HCL Technologies South Africa Proprietary Limited

Opinion

We have audited the financial statements of HCL Technologies South Africa Proprietary Limited (the company) set out on page 9 to 28, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accounting policies and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of HCL Technologies South Africa Proprietary Limited as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the company as at and for the year ended 31 March 2019, were audited by

another auditor who expressed an unmodified opinion on those financial statements on 8 July 2019.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "HCL Technologies South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional

scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Per N Jina
Chartered Accountant (SA)
Registered Auditor
Director
9 September 2020

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Statement of Comprehensive Income for the period ended 31 March 2020

	Notes	31 March 2020 R	31 March 2019 R
Revenue	2	9,966,654	10,145,677
Cost of sales		(8,391,226)	(8,532,773)
Gross profit		**1,575,428**	**1,612,904**
Other income	4	2,169,870	2,266,378
Selling and distribution expenses		-	(160,690)
Administrative expenses		(432,564)	(563,546)
Operating profit		**3,312,733**	**3,155,046**
Finance cost	5	(27,680)	(32,416)
Profit before taxation		**3,285,053**	**3,122,630**
Income Tax	6	(922,612)	(884,245)
Profit after taxation		**2,362,441**	**2,238,385**
Other comprehensive income		-	-
Total comprehensive profit for the year		**2,362,441**	**2,238,385**

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Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 R	31 March 2019 R
Assets			
Non-current Assets			
Property, plant and equipment	7	135,731	287,955
Intangible assets	8	-	-
Investment	9	263,250,000	-
Other receivables		130,870	189,888
Finance Lease receivable	21	1,164,346	-
Deferred tax assets	10	-	23,989
Total Non-Current Assets		**264,680,947**	**501,832**
Current Assets			
Cash and cash equivalents	11	42,020,822	41,494,926
Due from fellow subsidiaries	12	2,784,457	3,438,803
Trade receivables	13	1,231,655	1,506,141
Advance Tax		487,464	752,184
Other receivables	14	264,280	919,162
Finance lease receivable	21	588,529	-
Unbilled revenue from ultimate holding company and fellow subsidiaries		-	15,873
Deferred contract cost		-	618,036
Total Current Assets		**47,377,207**	**48,745,125**
Total Assets		**312,058,154**	**49,246,957**
Equity and Liabilities			
Equity			
Share capital	15	266,225,000	2,975,000
Retained earnings		44,351,114	41,988,673
Total Equity		**310,576,114**	**44,963,673**
Liabilities			
Current Liabilities			
Trade and other payables	16	579,048	1,130,419
Due to fellow subsidaries	17	694,595	3,152,865
Deferred tax liabilities	10	208,397	-
Total Current Liabilities		**1,482,040**	**4,283,284**
Total Equity and Liabilities		**312,058,154**	**49,246,957**

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Statement of changes in equity for the year ended 31 March 2020

	Share Capital R		Retained Earning R	Total Equity R
	Class A	Class B		
Mar-2019				
As at 1st April 2018	-	2,975,000	39,750,288	42,725,288
Total comprehensive profit for the year	-	-	2,238,385	2,238,385
Balance at 31st March 2019	**-**	**2,975,000**	**41,988,673**	**44,963,673**
Mar-2020				
As at 1st April 2019	-	2,975,000	41,988,673	44,963,673
Issue of share capital in lieu of purchase consideratinon	136,890,000	126,360,000	-	263,250,000
Total comprehensive profit for the year	-	-	2,362,441	2,362,441
Balance at 31st March 2020	**136,890,000**	**129,335,000**	**44,351,114**	**310,576,114**

Statement of cash flows for the period ended 31 March 2020

	Notes	31 March 2020 R	31 March 2019 R
Cash flows generated from operations			
Profit before taxation		3,285,053	3,122,630
Adjustment for :			
Depreciation		166,338	372,972
Interest income		(1,881,761)	(2,202,759)
Unrealised foreign exchange		(163,444)	(322,593)
Loss on sale of fixed assest		3,131	-
Provision for doubtful debt (written back)/ charge		(160,690)	160,690
Cash inflows before working capital changes		1,248,627	1,130,940
Movement in working capital changes			
Decrease/ (Increase) in trade receivables		550,012	(761,349)
(Increase) / Decrease in other receivable		(420,939)	110,345
Decrease/ (Increase) in due from fellow subsidiaries		670,219	(596,166)
(Decrease)/ Increase in trade and other payables		(542,195)	175,077
Decrease in due to fellow subsidaries		(2,458,270)	(5,083,399)
Net Cash outflow from operations		**(952,546)**	**(5,024,552)**
Income tax paid		(386,074)	(627,722)
Net cash used in operating activities		**(1,338,620)**	**(5,652,274)**
Cash flows from investing activities			
Purchase of fixed assets		(17,245)	(188,574)
Interest income		1,881,761	2,202,759
Net cash flow from investing activites		**1,864,516**	**2,014,185**
Total cash movement for the period		525,896	(3,638,089)
Cash and cash equivalents at the beginning of the year		41,494,926	45,133,015
Cash and cash equivalents at the end of period	11	**42,020,822**	**41,494,926**

Accounting policies

1 Summary of significant accounting policies

1.1 Presentation of Audited Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act, of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The company has presented the financial statements in Rands, which is also its functional currency.

Company has used exemptions in accordance with IFRS 10.4 and has not consolidated its subsidiary (HCL Technologies (Pty) Limited (formerly known as HCL Axon (Pty) Limited.), and is consolidated with its parent entity (Anzospan Investment Proprietary Ltd.). The financials are publically available on website of HCL Technologies Ltd, its ultimate holding company.
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1.2 Financial instruments

Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost
A financial asset is measured at the amortized cost if both the following conditions are met:
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 receivables, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)
A financial asset 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

1.2 Financial instruments (continued)

Financial assets (continued)

Financial asset 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. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss
Any financial asset, 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 assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments
All equity instruments are initially measured at fair value and are subsequently re-measured with all changes recognized in the statement of profit and loss. In limited circumstances, investments, for which sufficient, more recent information to measure fair value is not available cost represents the best estimate of fair value within that range.

Derecognition of financial assets
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the entity has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The entity recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost
The Company's financial liabilities at amortized cost includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

1.2 Financial instruments (continued)

Financial liabilities (continued)
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 as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities

Deferred tax is provided, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. The principle temporary differences arise from depreciation on plant and equipment, provisions and tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which to utilise the deferred tax asset.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

1.4 Leases

Company as a lessee
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:
(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfilment is dependent on a specified asset; or
(d) There is a substantial change to the asset.

1.4 Leases (continued)

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c), or d) and at the date of renewal or extension period for scenario b).

Company as a lessor
Leases in which the Company 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 Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the present value of lease receivable. After initial recognition, the Company 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. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

1.5 Plant and equipment

Plant and equipment is initially recorded at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Depreciation of plant and equipment is computed using the straight line method over the estimated lives of assets as follow:

	Current Period
Computer equipment	4-5 years
Computer software	3 years

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gains or losses on derecognition of the asset is included in the Statement of Comprehensive Income in the year in which the item is disposed. Where the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount through the statement of comprehensive income.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work-in-progress.

1.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful 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 are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and

1.6 Intangible assets (continued)

are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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 recognised in the statement of comprehensive income and when the asset is derecognised.

The intangible assets are amortized over the estimated useful life of the assets.

1.7 Deferred contract costs

Contract costs incurred during the Knowledge Transfer phase of the project are deferred and capitalised as assets, since these costs are incurred for gaining know how which is going to help us run the project during steady state phase. These costs are recognised as assets only when company has a reasonable certainty of these costs being recovered during the period of the contract.

1.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Cost of Sales

Cost of sales includes all costs of purchase and other costs incurred in bringing inventories to their present location and condition. Inventory write-downs are included in cost of sales when recognized. Trade discounts, settlement discounts and other similar items are deducted in determining the costs of purchase. Cost of sales is recognized as an expense when the risks and rewards of ownership related to the sale of merchandise pass to the customer.

1.11 Provisions

Provisions are recognised where the company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The company recognises the estimated liability on all products still under warranty at the balance sheet date. This provision is calculated based on service histories. Employee entitlements to annual leave are recognised when leave accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

1.12 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

1.14 Significant accounting judgements and estimates

Judgements

In the process of applying the accounting policies, management has made no judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are discussed below.

Depreciation rates

Property, plant and equipment are depreciated on a straight line basis over the expected useful lives of the various classes of assets, after taking into account residual values.

Trade accounts receivable

Trade receivables that are individually determined to be impaired at the reporting date related to debtors that have been outstanding more than 365 days. These receivables are not secured by any collateral or credit enhancements.

Recovery of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilize those temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies

Notes to the Annual Financial Statements (continued)

	Notes	31 March 2020 R	31 March 2019 R
2 Revenue from contract with customers			
Rendering of services		8,101,752	9,385,380
Sale of goods*		21,821	760,297
Sale under capital lease		1,832,413	-
Interest income on leased assets		10,668	-
		9,966,654	**10,145,677**

*Sale of goods comprises of sale of IT hardware items to customers.

Timing of revenue recognition			
Goods transferred at a point in time		1,864,902	760,297
Services transferred over time		8,101,752	9,385,380
Total revenue from contract with customers		**9,966,654**	**10,145,677**
3 The companies profit before tax is arrived at after charging:			
Consulting charges		5,509,106	5,414,193
Cost of goods sold		1,345,344	658,265
Repair and maintenance		1,668,210	2,513,282
Depreciation		166,338	372,972
Auditor's remuneration		94,376	56,385
4 Other income			
Interest on fixed deposit		1,881,761	2,202,759
Provision for bad debts written back		160,690	-
Foreign exchange gain, net		127,419	63,619
		2,169,870	**2,266,378**
5 Finance Expenses			
Bank charges		27,680	32,416
		27,680	**32,416**

6 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Tax expenses :		
Income Tax	850,766	1,167,822
Deferred tax expense/(beneifit)	69,049	(297,322)
Prior year under provision	(163,339)	(259,588)
Deferred tax Prior year under provision	163,337	273,333
Others	2,799	-
Total Income tax expense	**922,612**	**884,245**
Accounting profit before tax from continuing operations	**3,285,053**	**3,122,630**
Accounting profit before income tax	**3,285,053**	**3,122,630**
Statutory income tax rate of 28% (2019: 28%)	**919,815**	**874,336**
Adjustments in respect of current income tax of previous years	(163,339)	(259,588)
Adjustments in respect of deferred income tax of previous years	163,337	273,333
Tax on interest income for tax purpose:	-	(62,539)
Others	2,799	58,701
Non-deductible expenses for tax purposes:	-	2
At the effective income tax rate of 28% (2019: 28%)	**922,612**	**884,245**

Notes to the Annual Financial Statements (continued)

	Notes	31 March 2020 R	31 March 2019 R
7 Property , Plant & Equipment		**Computer equipment**	**Total**
Cost			
As at March 31, 2018		1,853,048	1,853,048
Additions		188,574	188,574
Retirement		-	-
As at March 31, 2019		**2,041,622**	**2,041,622**
Additions		-	-
Retirement		76,518	76,518
As at March 31, 2020		**1,965,104**	**1,965,104**
Accumulated depreciation			
As at March 31, 2018		(1,414,603)	(1,414,603)
Depreciation charge for the year		(339,064)	(339,064)
Retirement		-	-
As at March 31, 2019		**(1,753,667)**	**(1,753,667)**
Depreciation charge for the year		(149,093)	(149,093)
Retirement		73,387	73,387
As at March 31, 2020		**(1,829,373)**	**(1,829,373)**
Net Book Value			
As at March 31, 2020		135,731	135,731
As at March 31, 2019		287,955	287,955

8 Intangible Assets		**Software Application**	**Total**
Cost			
As at March 31, 2018		1,084,448	1,084,448
Additions		-	-
Retirement		-	-
As at March 31, 2019		**1,084,448**	**1,084,448**
Additions		17,245	17,245
Retirement		-	-
As at March 31, 2020		**1,101,693**	**1,101,693**
Accumulated depreciation			
As at March 31, 2018		(1,050,540)	(1,050,540)
Depreciation charge for the year		(33,908)	(33,908)
Retirement		-	-
As at March 31, 2019		**(1,084,448)**	**(1,084,448)**
Depreciation charge for the year		(17,245)	(17,245)
Retirement		-	-
As at March 31, 2020		**(1,101,693)**	**(1,101,693)**
Net Book Value			
As at March 31, 2020		-	-
As at March 31, 2019		-	-

The gross carrying amount of fully depreciated property plant & equipment & intangible's, that is still in use as at 31st March 2020 is ZAR 1,686,426.

Notes to the Annual Financial Statements (continued)

	Notes	31 March 2020 R	31 March 2019 R
9	**Investments**		
	Investment in subsidiaries*	263,250,000	-
		263,250,000	**-**

*During the year, company has purchased 65% holding in HCL Technologies Pty Ltd. (formerly known as HCL Axon (Pty) Ltd.) from Anzospan Investments Pty Ltd. The purchase consideration was settled by issue of 3,224,000 Class A and 1,000 Class B no par value shares.

10	**Deferred Tax**		
	Deferred tax assets	-	33,745
	Deferred tax liabilities	(208,397)	(9,756)
		(208,397)	**23,989**
	The balance of deferred tax is made up as follows:		
	Deferred tax assets:		
	Provision for doubtful debts	-	33,745
	Total	-	33,745
	Deferred tax liability:		
	Finance lease receivables	(173,027)	-
	Prepaid Expense	(35,369)	(9,756)
	Total	**(208,397)**	**(9,756)**
11	**Cash and cash equivalents**		
	Cash and cash equivalents consist of:		
	Bank balances	42,020,822	41,494,926
		42,020,822	**41,494,926**
12	**Due from fellow subsidiaries**		
	Trade receivables	2,784,457	3,438,803
		2,784,457	**3,438,803**
13	**Trade receivables**		
	Trade receivables	1,231,655	1,666,831
	Less: Provision for doubtful debt	-	(160,690)
		1,231,655	**1,506,141**

Trade receivables are generally non-interest bearing and are generally on 30 day terms.

As at March 31, 2020, the ageing analysis of trade receivables is as follows:

Neither past due nor impaired	359,148
Past due but not impaired (31-60 days)	506,358
Past due but not impaired (61-180 days)	366,148
Total	**1,231,655**

As at March 31, 2019, the ageing analysis of trade receivables is as follows:

Neither past due nor impaired	1,506,141
Past due but not impaired (31-60 days)	-
Past due but not impaired (61-180 days)	-
Past due but not impaired (>180 days)	-
Total	**1,506,141**

14	**Other receivables**		
	Prepayments - Current	258,168	69,378
	Interest on Investments	6,112	38,088
	Advance to suppliers	-	811,696
		264,280	**919,162**

Notes to the Annual Financial Statements (continued)

	Notes	31 March 2020 R	31 March 2019 R
15 Equity			
Share capital			
Authorised capital : 10,000,000 each Class A and Class B no par value shares			
Issued & Paid up: 3,224,000 Class A no par value.		136,890,000	-
Issued & Paid up: 2,976,000 Class B no par value.		129,335,000	2,975,000
		266,225,000	**2,975,000**

Refer Director's report note no. 5, during the year due to restructuring company issued Class A and Class B shares having authorized share capital of 10,000,000 each. Existing 2,975,000 shares were converted into Class B no par value shares. Further, the Company issued additional 3,224,000 Class A and 1,000 Class B no par value shares for R 136,890,000 and R 126,360,000 respectively to Anzospan Investment Pty Limited.

16 Trade and other payables			
Trade payables		99,359	695,813
Accrued expenses		472,034	141,760
Other payables		7,655	292,846
		579,048	**1,130,419**

17 Due to fellow subsidaries			
Accrued expenses		320,423	9,014
Payables		374,172	3,143,851
		694,595	**3,152,865**

The trade payable are non-interest bearing and are normally settled in 60 to 90 days terms.

18 Financial instrument risk management

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivables, trade payables and borrowings. The main purpose of the financial liabilities is to raise finance for the company's operations. The financial assets arise from normal business transactions.

The main risks arising from the company's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk.

The board of directors reviews and approves policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt with floating interest rates.

Credit risk

Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables and loan notes) and from its financing activities, including deposit with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the company's policy, procedures and control relating to customer credit risk management. Credit limit are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard. The requirement for impairment is analysed on an individual basis for major clients. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively.

Exposure to credit risk

At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet as disclosed under Note 13 & Note 14 to the financial statements.

No collateral is held for these receivables as these receivables are considered to be reputable and credit worthy.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Company. Cash and cash equivalents, are placed with reputable financial institutions.

18 Financial instrument risk management (continued)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 (trade receivables).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to operating activities (when revenue or expenses are denominated in a different currency to the company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in the exchange rate, with all other variables held constant, of the company's profit before tax due to changes in the fair value of monetary assets and liabilities.

	31 March 2020		31 March 2019	
	Change in Rate	Effect on profit before tax	Change in Rate	Effect on profit before tax
		R		R
GBP	0%	-	14.25%	(29,588)
VEF	0%	-	-53.00%	-
USD	23.23%	200,554	22.48%	91,296
BRL	-7.42%	11,404	3.81%	(5,855)
CLP	2.27%	530	9.18%	2,145
ARS	0%	-	-44.07%	342,302
SAR	0%	-	22.47%	(55,574)
CNY	0%	-	14.55%	(212,427)
MXN	0%	-	-13.38%	13,512
PLN	0%	-	9.26%	(37,557)
VES	21181.85%	29,956,034	100.00%	141,423
GBP	0%	-	-14.25%	29,588
VEF	0%	-	53.00%	-
USD	-23.23%	(200,554)	-22.48%	(91,296)
BRL	7.42%	(11,404)	-3.81%	5,855
CLP	-2.27%	(530)	-9.18%	(2,145)
ARS	0%	-	44.07%	(342,302)
SAR	0%	-	-22.47%	55,574
CNY	0%	-	-14.55%	212,427
MXN	0%	-	13.38%	(13,512)
PLN	0%	-	-9.26%	37,557
VES	-21181.85%	(29,956,034)	-100.00%	(141,423)

The movement on the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in currencies other than the functional currency of the entity.

Liquidity risk

The company monitors its risk of experiencing shortage of funds by using a recurring liquidity planning tool. The company's objective is to maintain a balance between continuity of funding and flexibility through use of loans from group companies.

Financial liabilities

		1 Year	2-5 Year	Over 5 year	Total
March 31, 2020					
Trade and other payables	Interest free	579,048	-	-	579,048
Owed to ultimate holding company fellow subsidiaries	Interest free	694,595	-	-	694,595
March 31, 2019					
Trade and other payables	Interest free	1,130,419	-	-	1,130,419
Owed to ultimate holding company fellow subsidiaries	Interest free	3,152,865	-	-	3,152,865

Fair value

At March 31, 2020, the carrying amounts of cash, trade receivables, trade payables, approximate their fair values due to the short term maturities of these assets and liabilities.

Notes to the Annual Financial Statements (continued)

19 Classification of financial instruments

	Loans and receivables/ (financial liabilities at amortized cost)	Non-financial assets / liabilities	Total
	R	R	R
31 March 2020			
Financial assets			
Cash and cash equivalents	42,020,822	-	42,020,822
Trade and other receivables	1,231,655	395,150	1,626,805
Receivable from fellow subsidiaries	2,784,457	-	2,784,457
Finance lease receivable	1,752,875	-	1,752,875
	47,789,809	**395,150**	**48,184,959**
Financial liabilities			
Trade and other payables	579,048	-	579,048
Owed to parent and fellow subsidiaries	694,595	-	694,595
Total	**1,273,643**	**-**	**1,273,643**
31 March 2019			
Financial assets			
Cash and cash equivalents	41,494,926	-	41,494,926
Trade and other receivables	1,506,141	1,109,050	2,615,191
Receivable from fellow subsidiaries	3,438,803	-	3,438,803
Unbilled receivable	15,873	-	15,873
	46,455,743	**1,109,050**	**47,564,793**
Financial liabilities			
Trade and other payables	1,130,419	-	1,130,419
Owed to parent and fellow subsidiaries	3,152,865	-	3,152,865
Total	**4,283,284**	**-**	**4,283,284**

20 Related Parties

Relationships

Holding Company

Anzospan Investments Pty Limited

Fellow Subsidiaries

HCL (Brazil) Technologia da informacao EIRELI
HCL Argentina
HCL Australia Services Pty. Limited
HCL Great Britain Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL Saudi Arabia LLC
HCL Singapore Pte. Limited
HCL Technologies Limited - Russia Branch
HCL Technologies Limited- Finland Branch
HCL Technologies Limited- Ireland Branch
HCL Technologies Middle East FZ- LLC
HCL Technologies Norway AS
HCL Technologies UK Limited
HCL Technologies, S.A.
HCL Axon Technologies Inc.-SD
HCL Poland Sp.z.o.o.
HCL Sweden AB
HCL Technologies (Shanghai) Limited
HCL Technologies Chile SpA
HCL Technologies Pty Ltd. (formerly known as HCL Axon (Pty) Ltd.
HCL Istanbul Bilisim Teknolojileri Limited Sirketi
HCL Mexico S. de R.L.
HCL Technologies Finland Oy
HCL Technologies France
HCL Technologies Germany GmbH
HCL Technologies Ltd.- Moscow Branch
HCL Technologies Vietnam Company Limited
PT. HCL Technologies Indonesia
HCL America Inc.

Ultimate holding company

HCL Technologies Limited

31 March 2020

Related Party Balances **Amount in Rand**

Particulars	Investments	Equity	Trade Receivables	Trade payables
Anzospan Invest Pty Ltd		266,225,000	(100,000)	-
HCL Technologies Pty Ltd. (formerly known as HCL Axon (Pty) Ltd.	263,250,000	-	-	-
HCL (Brazil) Technologia da informacao EIRELI	-	-	846,740	142,614
HCL Arabia LLC	-	-	-	2,059
HCL Australia Services Pty Ltd.	-	-	285,563	-
HCL Technologies Pty Ltd. (formerly known as HCL Axon (Pty) Ltd.	-	-	-	107,641
HCL Axon Solutions (Shanghai) Co. Ltd	-	-	203,706	-
HCL Tech Limited, Moscow	-	-	31,812	-
HCL Technologies (Shanghai)	-	-	152,232	-
HCL Technologies Limited	-	-	19,963	-
HCL Technologies Ltd Finland	-	-	12,301	-
HCL Technologies Luxembourg S.a.r.l	-	-	11,426	-
HCL Technologies Mexico	-	-	-	2,700
HCL Technologies Taiwan Ltd	-	-	-	320,423
HCL Technologies UK Ltd.	-	-	258,176	-
HCLTechnologies Chile SPA	-	-	1,049,653	119,158
PT. HCLT Indonesia	-	-	12,885	-
Total	**263,250,000**	**266,225,000**	**2,784,457**	**694,595**

Related Party Transactions **Amount in Rand**

Particulars	Income	Consulting Charges - Grp
HCL Technologies Limited	299,407	197,562
HCL Argentina s.a.	-	916,119
HCL (Brazil) Technologia da informacao EIRELI	-	53,127
HCL Mexico S. de R.L.	-	321,263
HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.	129,344	538,207
HCL Axon Technologies Inc - SD	-	28,797
HCL Great Britain Limited	-	938,862
HCL Poland sp. z o.o	125,619	-
HCL Technologies Limited - Finland Branch	136,929	-
HCL Technologies Limited - Russia Branch	22,194	-
HCL Technologies UK Limited	290,056	916,563
HCL GmbH	188,028	-
HCL Technologies Chile Spa	-	119,158
HCL Technologies Luxembourg S.a.r.l	11,426	-
HCL Technologies Denmark Aps	7,781	-
HCL Technologies Norway AS	11,023	-
HCL Technologies Vietnam Company Limited	-	(9,014)
HCL Australia Services Pty. Limited	285,563	-
HCL Technologies Limited- UAE Branch	12,895	96,348
HCL Singapore Pte. Limited	351,361	-
HCL Arabia LLC	-	239,330
HCL Axon Solutions (Shanghai) Co. Ltd.	203,706	-
HCL Technologies (Shanghai) Limited	17,568	-
HCL Technologies (Taiwan) Ltd.	-	320,423
Total	**2,092,901**	**4,676,745**

31 March 2019

Related Party Balances **Amount in Rand**

Particulars	Equity	Trade Receivables	Unbilled receivable	Trade payables
Anzopan Investments Pty. Ltd	2,975,000	(100,000)	-	-
HCL (Brazil) Technologia da informacao EIRELI	-	846,854	-	154,051
HCL Arabia LLC	-	-	-	249,390
HCL Argentina s.a.	-	-	-	123,445
HCL Axon (Proprietary) Ltd.	-	-	-	443,170
HCL Mexico S. de R.L.	-	-	-	103,664
HCL Poland sp. z o.o	-	-	-	405,781
HCL Singapore Pte. Ltd.	-	84,662	-	-
HCL Technologies (Shanghai) Limited	-	134,664	-	1,460,338
HCL Technologies Chile SPA	-	1,050,197	-	-
HCL Technologies Finland Oy	-	874,341	-	-
HCL Technologies Ltd.	-	-	15,873	-
HCL Technologies Ltd.- Finland Branch	-	369,696	-	-
HCL Technologies Ltd.- Moscow Branch	-	9,618	-	-
HCL Technologies Norway AS	-	8,442	-	-
HCL Technologies Sweden AB	-	129,983	-	-
HCL Technologies UK Ltd.	-	17,462	-	204,012
HCL Technologies Vietnam Company Limited	-	-	-	9,014
PT HCL Technologies Indonesia	-	12,885	-	-
Total	**2,975,000**	**3,438,804**	**15,873**	**3,152,865**

Related Party Transactions **Amount in Rand**

Particulars	Income	Consulting Charges - Grp
HCL (Brazil) Technologia da informacao EIRELI	430,155	149,156
HCL America Inc.	6,970	366,510
HCL Arabia LLC	-	525,537
HCL Argentina s.a.	-	39,509
HCL Technologies Pty Ltd. (formerly known as HCL Axon (Pty) Ltd.	-	110,522
HCL Axon Technologies Inc. - SD	85,498	-
HCL Great Britain Ltd.	-	303,118
HCL Istanbul Bilisim Teknolojileri Limited Sirketi	105,350	-
HCL Mexico S. de R.L.	-	100,965
HCL Poland sp. z o.o	-	1,530,629
HCL Singapore Pte. Ltd.	146,321	-
HCL Technologies (Shanghai) Limited	134,664	1,460,338
HCL Technologies Chile SPA	614,338	-
HCL Technologies Finland Oy	760,297	-
HCL Technologies France	24,072	224,312
HCL Technologies Germany GmbH	-	503,321
HCL Technologies Ltd.	15,873	302,836
HCL Technologies Ltd.- Finland Branch	543,968	-
HCL Technologies Ltd.- Moscow Branch	9,618	-
HCL Technologies Norway AS	8,442	-
HCL Technologies Sweden AB	129,983	-
HCL Technologies UK Ltd.	17,462	477,042
HCL Technologies Vietnam Company Limited	-	9,014
Total	**3,033,011**	**6,102,809**

21 Capital management

	31 March 2020	31 March 2019
	R	R
Share Capital Class A	136,890,000	-
Share Capital Class B (2019: ordinary shares)	129,335,000	2,975,000
Accumulated Profit	44,351,114	41,988,673
	310,576,114	**44,963,673**

Capital includes equity shares and equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustment to it, in light of change in economic conditions.During the year company has altered its capital structure by issuing Class A and Class B shares to inhance its credit rating and for the benifit of black people.

22 Finance Leases

The future minimum sub lease payments expected to be received under the non cancellable sub leases of equipments and applicable software licences are as follows:-

31 March 2020

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2020-21	651,650	588,529	63,121
2021-22	651,650	614,034	37,615
2022-23	561,443	550,312	11,132
Total	**1,864,743**	**1,752,875**	**111,868**

23 Remuneration to directors and key management personnel

Some of the directors and key management personnel of the Company are also directors and key management personnel in other group companies within the HCL group and all of these companies together are viewed as one business unit and their remuneration is paid by the ultimate parent Company. No separate or additional remuneration is paid to these directors for their role as directors of this Company or any other companies in the South African group and therefore no disclosure is required for these directors.

24 Subsequent event

Other than the matter mentioned below, there have been no significant subsequent events since the year ended 31 March'20 that would have material impact on the statement of financial position of the Company as shown in these financial statements.
The recent outbreak of COVID19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited, as delivery of our services is uninterrupted, and we have currently not witnessed significant changes in demand, whereas our service delivery is intact and our liquidity remains healthy. However, going forward the COVID19 outbreak may negatively impact amongst others our, workforce, operations, and market demand and liquidity. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders.

25 Going Concern

The company earned a profit for the period ended 31 March 2020 of R2,362,441 (31 March 2019 – R2,238,385) and as at that date its total assets exceeded its total liabilities by R310,576,114 (31 March 2020 – R44,963,673). In addition, current assets exceed current liabilities by R45,895,167 (31 March 2020 – R44,461,841). Based on our current knowledge and available information, we do not expect COVID19 to have an impact on our ability to continue as a going concern in the future. Accordingly, the financial statements have been prepared on a going concern basis.