

**HCL TECHNOLOGIES (PTY) LIMITED**  
**(Formerly known as HCL Axon (Proprietary) Ltd.)**  
(Registration number 2009/003046/07)

**Financial Statements**  
for the year ended  
31 March 2022

Audited financial statements  
in compliance with Companies Act of South Africa

**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Audited Financial Statements for the year ended March 31,2022**

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**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Sale, purchase, distribution, license, lease, services, manpower deployment, maintenance and consultancy of all kind, related to information technology.
<b>Directors</b>	Mr. Prateek Aggarwal (Indian citizen) Ms. Balungile Phili (South African citizen) Mr. Sundaram Sridharan (Singapore citizen) Mr. Nima Pravin Gagjee (South African citizen)
<b>Registered office</b>	GMI House, Harlequins Office Park, 164 Totius Street, Groenkloof, Pretoria, 0027
<b>Business address</b>	2nd Floor, ABB Park The Crescent 3 Eglin Road, Sunninghill 2157, South Africa
<b>Postal address</b>	PO Box 619 Pretoria 0001
<b>Holding company</b>	Anzospan Investment Proprietary Limited (Incorporated in South Africa)
<b>Ultimate holding company</b>	HCL Technologies Limited (Incorporated in India)
<b>Auditors</b>	KPMG Chartered Accountants
<b>Company registration number</b>	2009/003046/07
<b>Preparer of Annual Financial Statements</b>	Vibhor Kapoor (Associate Chartered Accountant of India)

**General Information (continued)**

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*Prateek Aggarwal*

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**Prateek Aggarwal**  
**Authorised Director**

*Sundaram Sridharan*

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**Sundaram Sridharan**  
**Authorised Director**

## **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 period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of Companies Act.

The responsibility of the external auditors is to express an independent opinion on the fair presentation of the Annual Financial Statements based on their audit of the company. The board is satisfied that the external auditors were independent of the company during period under review.

The board is satisfied that the Annual Financial Statements fairly present the financial position, the results of operations and cash flows in accordance with International Financial Reporting Standards and the Companies Act of South Africa and supported by reasonable and prudent judgements consistently applied.

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 risks 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 risks across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by the 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.

## **Approval of Annual Financial Statements**

The audited annual financial statements set out on pages 7 to 33 were approved by the board of directors on 01 August 2022.

## **Directors' Report**

### **1. Incorporation**

The company was incorporated on 16<sup>th</sup> February, 2009 and obtained its certificate to commence business on the same day.

### **2. Business and operations**

The company is engaged in sale, purchase, distribution, license, lease, services, manpower deployment, maintenance and consultancy of all kind related to information technology.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

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

### **3. Review of operations**

The results of operations for the year are set out in the statement of comprehensive income. A net profit of ZAR 96,497,995 (2021: Profit ZAR 105,638,250) was recorded for the year under review.

**Directors' Report - continued****4. Going Concern**

The company earned profit for the year ended 31 March 2022 of R 96,497,995 as compared to profit in last year ended 31 March 2021 – R 105,638,250 and as at that date its total assets exceeded its total liabilities by R 549,212,415 (31 March 2021 – R 517,714,419). In addition, current assets exceed current liabilities by R 259,594,331 (31 March 2021 – R 171,897,415). 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.

**5. Share capital**

Nil shares were issued during the year. Unissued shares are under control of the Board of directors.

**6. Directors**

Particulars of the directors as on 31<sup>st</sup> March, 2022 are given below.

S.No	Name of Directors	Citizenship	Director Type	Date of Appointment
1	Prateek Aggarwal	India	Non-Executive	24-10-2018
2	Sundaram Sridharan	Singapore	Non-Executive	31-03-2016
3	Nima Pravin Gagjee	South Africa	Non-Executive	04-09-2017
4	Balungile Phili	South Africa	Executive	01-08-2019

**7. Holding company**

HCL Technologies South Africa Pty. Limited and Anzospan Investments Proprietary Limited, incorporated in South Africa are the companies holding 65% and 35% respectively.

**8. Ultimate holding company**

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

**9. Dividends**

Dividend of ZAR 65,000,000 paid during the year to the shareholders (2021: Nil).

**10. Subsequent events**

Apart from potential impacts of coronavirus Covid-19 and war between Russian Federation and Ukraine which is given in Note 35 to the financial statements, no fraud or material 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.

**11. Auditor**

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.



**Prateek Aggarwal**  
**Authorised Director**



**Sundaram Sridharan**  
**Authorised Director**



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## Independent Auditor's Report

### **To the shareholders of HCL Technologies (Pty) Limited**

#### **Opinion**

We have audited the financial statements of HCL Technologies (Pty) Limited (the Company) set out on pages 7 to 33, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of HCL Technologies (Pty) Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "HCL Technologies (Pty) Limited Annual Financial Statements for the year ended 31 March 2022", 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.

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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 International Financial Reporting Standards 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

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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.  
Registered Auditor

A handwritten signature in dark ink, appearing to read 'M.A. Sithole', written in a cursive style.

Per MA Sithole  
Chartered Accountant (SA)  
Registered Auditor  
Director  
4 August 2022



**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Statement of comprehensive income for the year ended 31 March 2022**

	Note	31 March 2022 ZAR	31 March 2021 ZAR
Revenue from contract with customers	2	1,614,650,631	1,410,623,690
Cost of sales	3	(1,365,067,153)	(1,132,065,813)
<b>Gross Profit</b>		<b>249,583,478</b>	<b>278,557,877</b>
Other income	4	7,978,177	8,527,352
Selling and distribution expenses	3	(66,712,706)	(73,114,296)
Reversal of provision for bad debts	3	2,936,631	4,956,156
Administrative expenses	3	(59,735,972)	(66,955,632)
<b>Operating profit</b>		<b>134,049,608</b>	<b>151,971,457</b>
Finance cost	5	(627,267)	(371,681)
<b>Profit/(loss) before taxation</b>		<b>133,422,341</b>	<b>151,599,776</b>
Taxation	6	(36,924,346)	(45,961,526)
Profit/(loss) after taxation		<b>96,497,995</b>	<b>105,638,250</b>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<b>96,497,995</b>	<b>105,638,250</b>

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**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Statement of Financial Position as at 31 March 2022**

	Note	31 March 2022 ZAR	31 March 2021 ZAR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	35,630,357	45,204,212
Right of use assets	26	553,556	-
Intangible Assets	8	23,680,057	47,135,170
Goodwill	9	124,730,903	124,730,903
Non-Current Receivables	10	77,526,999	99,316,040
Deferred Contract Cost	11	23,902,304	30,841,875
Deferred tax assets (Net)	12	8,389,432	3,175,755
		<b>294,413,608</b>	<b>350,403,955</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	13	213,643,847	248,734,608
Receivable from Ultimate Holding Company and Fellow Subsidiaries	14	17,639,014	19,686,412
Inventories	15	5,021,900	2,336,819
Contract Assets		19,835,713	4,042,853
Unbilled Receivables	16	15,357,417	15,283,734
Trade Receivables	17	333,799,069	272,919,566
Other Receivables	17	91,609,626	29,873,052
Finance Lease Receivables	18	36,300,408	32,329,259
Deferred Contract Cost	11	25,721,974	32,182,418
		<b>758,928,968</b>	<b>657,388,721</b>
<b>Total Assets</b>		<b>1,053,342,576</b>	<b>1,007,792,676</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	19	87,000,000	87,000,000
Share Based Payment Reserve	20	103,175,741	103,175,741
Retained Earnings		359,036,674	327,538,679
		<b>549,212,415</b>	<b>517,714,420</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Lease Liability	26	412,451	-
Contract Liability	21	4,383,073	4,586,951
		<b>4,795,524</b>	<b>4,586,951</b>
<b>Current Liabilities</b>			
Loan from Fellow Subsidiaries	23	-	10,195,100
Owed to Ultimate Holding Company and Fellow Subsidiaries	24	199,615,155	275,944,778
Trade and Other Payables	25	177,662,463	141,249,804
Contract Liability	21	100,853,653	37,306,353
Lease Liability	26	953,583	-
Income Tax Payable	27	9,737,361	11,286,786
Provisions	22	10,512,422	9,508,484
		<b>499,334,637</b>	<b>485,491,305</b>
<b>Total Equity and Liabilities</b>		<b>1,053,342,576</b>	<b>1,007,792,676</b>

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**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Statement of changes in equity for the year ended 31 March 2022**

	Share Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
	ZAR	ZAR	ZAR	ZAR
<b>At April 1, 2020</b>	87,000,000	103,175,741	221,900,429	412,076,170
Total comprehensive Income	-	-	105,638,250	105,638,250
<b>Balance at March 31, 2021</b>	<b>87,000,000</b>	<b>103,175,741</b>	<b>327,538,679</b>	<b>517,714,420</b>
<b>At April 1, 2021</b>	87,000,000	103,175,741	327,538,679	517,714,420
Dividend Paid (Note-1)	-	-	(65,000,000)	(65,000,000)
Total comprehensive Income	-	-	96,497,995	96,497,995
<b>Balance at March 31, 2022</b>	<b>87,000,000</b>	<b>103,175,741</b>	<b>359,036,674</b>	<b>549,212,415</b>

Note-1- During the year the company has paid an interim dividend of ZAR 65,000,000. Amount of dividend paid to Anzospan Investments Pty Ltd. on 10-12-2021 at the rate of ZAR 0.75 per equity share of face value ZAR 1 each amounts to ZAR 22,750,000 and dividend paid to HCL Technologies South Africa Proprietary Limited on 10-12-2021 at the rate of ZAR 0.75 per equity share of face value ZAR 1 each amounts to ZAR 42,250,000 each.

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**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Statement of Cash Flows for the year ending 31 March 2022**

	Note	31 March 2022 ZAR	31 March 2021 ZAR
<b>Cash flows from operating activities</b>			
Profit/(Loss) before tax		133,422,341	151,599,776
<b>Adjusted for :</b>			
Depreciation and amortization		39,265,270	42,631,867
Depreciation for right of use asset		522,066	722,779
Interest income		(9,489,258)	(6,247,247)
Loss on sale of fixed assets		-	4,845
Unrealized foreign currency gains and losses		(429,377)	(2,203,866)
Reversal of provision for bad debts		(2,936,631)	(4,956,156)
Interest expenses		58,106	275,428
<b>Cash inflows before working capital changes</b>		160,412,517	181,827,426
<b>Movement in working capital changes</b>			
Increase in Trade and other receivables		(132,553,634)	(76,118,007)
Decrease / (Increase) in Receivable from fellow subsidiaries		2,047,397	(3,459,315)
Increase in Inventories		(2,685,081)	(1,789,394)
(Increase) / Decrease in Unbilled receivable		(73,683)	43,107,355
Decrease / (Increase) in Non-current receivables		28,728,613	(66,809,009)
(Decrease) / Increase in Owed to ultimate holding company and fellow subsidiaries		(76,173,400)	163,992,051
Increase / (Decrease) in Trade and other payables		36,412,659	(44,515,763)
Increase in Lease liability		2,234,338	-
Increase in Contract liability		63,343,422	16,094,173
Increase in Provisions		1,003,938	2,628,644
<b>Cash flow from operations</b>		82,697,086	214,958,161
Income Tax paid		(43,687,447)	(33,172,478)
<b>Net cash inflow from operating activities</b>		39,009,639	181,785,683
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(10,099,100)	(6,066,041)
Sale of fixed assets		3,224,462	-
Purchase of intangible assets		-	(1,446,144)
Sale of intangible assets		638,334	-
Interest income		9,489,258	6,537,220
<b>Net cash used in investing activities</b>		3,252,954	(974,965)
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(1,992,926)	(683,233)
Repayment of loan from fellow subsidiaries		(10,195,100)	-
Interest paid		(165,328)	-
Dividend Paid		(65,000,000)	-
<b>Net cash used in financing activities</b>		(77,353,354)	(683,233)
Net decrease in cash and cash equivalents		(35,090,761)	180,127,485
Cash and cash equivalents at the beginning of the year		248,734,608	68,607,123
<b>Cash and cash equivalents at the end of the year *</b>	<b>13</b>	213,643,847	248,734,608

\*Cash and cash equivalent represent balance with bank.

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**Accounting policies**

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**1. Presentation of Annual Financial Statements**

The Financial Statements set out on pages 7 to 32 are prepared on the historical cost basis. The company's significant accounting policies conform with International Financial Reporting Standards.

The company's financial statements are presented in South African Rand (ZAR), which is also its functional currency.

The financial statements for the year ended 31st March 2022 were approved and authorized for issue by the Board of Directors on 01 August 2022.

**1.1 Property, plant and equipment**

Plant and equipment is initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserves.

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All repair and maintenance expenses are recognized in profit or loss when incurred.

Depreciation is recorded by a charge to statement of comprehensive income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives for the current and prior year.

Plant and machinery	10 years
Office equipment	5 years
Computer equipment	4 to 5 years
Furniture and fittings	7 years

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as "Under Construction".

The residual values, estimated useful lives and depreciation methods of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognized in the profit or loss when the changes arise.

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

**1.2 Tax**

**Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred Tax**

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.

**1.3 Leases**

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

**Accounting policies**

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**1.3 Leases (continued)**

**Company as a lessee**

Company is lessee in case of office space. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in IFRS 16.

Effective 1 April 2019, all leases with a term of more than 12 months are recognized as right-of-use assets along with associated lease liabilities, in the balance sheet.

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

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

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

**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.

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

**1.4 Intangible assets**

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

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Comprehensive Income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

M.A.

**Accounting policies (continued)**

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**1.4 Intangible assets (continued)**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category consistent with the function of the intangible assets. The following are the finite lives of the intangible assets in the company for the current and prior year.

<b>Category</b>	<b>Finite lives</b>
Customer Relationship	10 years
Intellectual Property	5 years
Software Application	3 years
Order Backlog	3 years

**1.5 Business combinations and goodwill**

Business combinations are accounted using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

**1.6 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

M.A.

**Accounting policies (continued)**

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**1.6 Financial instruments (continued)**

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

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. 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.

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.

M.A.



**Accounting policies (continued)**

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**1.6 Financial instruments (continued)**

*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.

**1.7 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.

**1.8 Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income. Such balances are translated at year end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

**1.9 Revenue recognition**

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of goods or services is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. When the contract contains a financing component which provides the Company a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenue from the sale of goods is recognised on the transfer of the significant risks and rewards of ownership, which generally, coincides with the time of delivery of goods.

Revenue from sale of services is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of returns and discounts.

M.A.

**Accounting policies (continued)**

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**1.09 Revenue recognition (continued)**

Other income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**1.10 Retirement benefits**

The company's contribution to the defined contribution plan is charged to the Statement of comprehensive income in the year to which it relates.

**1.11 Fair value measurement**

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers

**1.12 Impairment**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These

**Accounting policies (continued)**

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**1.12 Impairment (continued)**

calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognised in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The following criteria are also applied in assessing impairment of assets:

**Goodwill**

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**Intangible assets**

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

**1.13 Inventories**

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

**1.14 Value Added Tax**

Expenses and assets are recognised net of the amount of Value Added Tax, except:

i) When the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii) When receivables and payables are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**1.15 Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts, where applicable. For cash subjected to restriction, where applicable, assessments are made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

M.A.

**Accounting policies (continued)**

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**1.16 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.

**1.17 Equity settled Share based payment**

**Share based payment arrangements**

The grant date fair value of equity-settled share-based payment arrangements granted is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is not true-up for differences between expected and actual outcomes.

**1.18 Significant accounting judgements and estimates**

**Judgements**

In the process of applying the accounting policies, management has made no judgements, 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. During the year management revised the estimated useful life of assets as stated in note 1.1.

**Trade accounts receivable**

The impairment provisions for trade receivables and other receivables are based on assumptions about expected credit losses. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Company's historical experience and forward-looking information at the end of each reporting period. Changes in these assumptions and estimates could materially affect the results of the assessment and it may be necessary to make an additional impairment charge to profit or loss.

**Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value of the cash-generating unit to which goodwill has been allocated. The value in use is determined via a discounted cash flow which requires the directors to forecast cash flows, growth into perpetuity and a weighted average cost of capital.

**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.

**1.19 New Standards and Interpretations**

A number of new standards, amendments to standards, interpretations and amendments are effective for annual periods beginning on or after 31 March 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company do not plan to early adopt these standards. These will be adopted in the period that they become mandatory unless otherwise indicated.

The company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

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## Accounting policies (continued)

## 1.19 New Standards and Interpretations (continued)

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IAS 37 amendment	<i>Onerous Contracts: Cost of Fulfilling a Contract</i>	May-20	1-Jan-22
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments	<i>Annual Improvements to IFRS Standards (2018 – 2020)</i>	May-20	1-Jan-22
IAS 16 amendment	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>	May-20	1-Jan-22
IFRS 3 amendment	<i>Reference to the Conceptual Framework</i>	May-20	1-Jan-22
IAS 1 amendment	<i>Classification of liabilities as current or non-current</i>	Jan-20	1-Jan-23
IAS 8 amendment	<i>Definition of Accounting Estimates</i>	Feb-21	1-Jan-23
IAS 1 and IFRS Practice Statement 2 amendment	<i>Disclosure Initiative: Accounting Policies</i>	Feb-21	1-Jan-23
IAS 12 amendment	<i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	May-21	1-Jan-23
IFRS 10 and IAS 28 amendment	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Sep-14	Deferred indefinitely by amendments made in December 2015
IFRS 16 amendment	COVID-19 Related Rent Concessions beyond 30 June 2021	Mar-21	1-Apr-21
IFRS 17	Insurance Contracts	May-17	1-Jan-23
IFRS 17 amendments	Insurance Contracts	Jun-20	1-Jan-23
IAS 1 amendment	Classification of liabilities as current or non-current	Jan-20	1 January 2023 (tentatively deferred to 1 January 2024 or later)

M.A.

**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**  
(Registration number 2009/003046/07)  
**Financial Statements for the year ended 31 March 2022**

**Notes to the financial statements**

	31 March 2022 ZAR	31 March 2021 ZAR
<b>2 Revenue from contract with customers</b>		
<b>Total revenue comprises:</b>		
Service Income	1,569,841,966	1,286,001,669
Sale of goods*	39,104,251	28,991,786
Sale under financial lease	5,704,414	94,214,657
Interest income on leased assets	-	1,415,578
	<b>1,614,650,631</b>	<b>1,410,623,690</b>
*Sale of goods comprises of sale of IT hardware items to customers		
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	44,808,665	124,622,021
Services transferred over time	1,569,841,966	1,286,001,669
<b>Total revenue from contract with customers</b>	<b>1,614,650,631</b>	<b>1,410,623,690</b>
<b>3 The company's profit before tax is arrived at after charging:</b>		
Depreciation on plant and equipment	16,448,491	19,880,757
Depreciation on ROU	522,066	722,779
Amortization of intangibles assets	22,816,779	22,751,110
Operating lease expense	161,093	96,636
Auditor's remuneration	219,440	560,000
Reversal of provision for bad debts	(2,936,631)	(4,956,156)
Consulting Charges	844,128,787	620,810,253
Cost of goods sold	36,860,701	90,192,566
Loss on sale of capital assets	-	4,845
<b>Employee Benefits</b>		
Salaries	183,190,229	175,305,824
Bonus	9,117,649	14,536,070
Pension costs - defined contribution plan	-	1,505,469
<b>4 Other Income</b>		
Interest income	9,489,258	6,247,247
Exchange gain/(loss) Net	(1,511,081)	2,280,105
	<b>7,978,177</b>	<b>8,527,352</b>
<b>5 Finance costs</b>		
<b>Interest Expense</b>		
On loan from fellow subsidiaries	9,105	261,725
Interest expense on lease liability	49,001	13,703
Fair value changes on liabilities carried at fair value through profit and loss	-	26,555
Bank charges	88,550	68,382
Late payment	480,611	1,316
	<b>627,267</b>	<b>371,681</b>
<b>6 Taxation</b>		
The major components of income tax expenses		
<b>Current Income Tax:</b>		
Current Income Tax Charge	48,208,801	39,186,711
Others	-	3,494,091
Prior year under/(excess) provision	(6,070,777)	(125,346)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(11,021,368)	3,261,796
Deferred tax Prior year under provision	5,807,690	144,274
	<b>36,924,346</b>	<b>45,961,526</b>
<b>Reconciliation of tax expense and the accounting profit</b>		
Accounting profit/(loss) before income tax	133,422,341	151,599,776
Statutory income tax rate of 28% (2021: 28%)	37,358,256	42,447,937
Adjustments in respect of current income tax of previous years	(6,070,777)	(125,346)
Adjustments in respect of deferred income tax of previous years	5,807,690	144,274
Non-deductible expenses for tax purposes:	(170,823)	570
Others	-	3,494,091
At the effective income tax rate of 28% (2021: 28%)	<b>36,924,346</b>	<b>45,961,526</b>
Income tax expense reported in the statement of profit or loss	<b>36,924,346</b>	<b>45,961,526</b>

**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022**

	31 March 2022	31 March 2021
	ZAR	ZAR

**Notes to the financial statements (Continued)**
**6. Taxation (continued)**

Movements in current income tax liabilities

<b>Balance, at beginning of financial year</b>	<b>11,286,786</b>	<b>1,903,810</b>
Income tax paid	(43,636,771)	(33,067,100)
	<b>(32,349,985)</b>	<b>(31,163,290)</b>
Prior year's over provision	(6,070,777)	(125,347)
Current financial year's tax	48,208,801	42,575,423
Foreign withholding tax	(648,574)	-
Refund	597,896	-
<b>Balance, at end of financial year</b>	<b>9,737,361</b>	<b>11,286,786</b>

**7. Property, Plant and Equipment**

	Computer Equipment (ZAR)	Plant Machinery (ZAR)	Office Equipment (ZAR)	Furniture and Fittings (ZAR)	Under Construction (ZAR)	Total (ZAR)
<b>At 01 April 2020</b>	<b>95,851,210</b>	<b>221,400</b>	<b>1,139,641</b>	<b>2,315,075</b>	<b>65,328,124</b>	<b>164,855,450</b>
Additions	5,896,212	-	100,082	61,310	-	6,057,604
Disposal	(3,065,473)	-	(689,077)	(286,022)	-	(4,040,572)
Amount capitalized to software	-	-	-	-	(65,264,254)	(65,264,254)
<b>At March 31, 2021</b>	<b>98,681,949</b>	<b>221,400</b>	<b>550,646</b>	<b>2,090,363</b>	<b>63,870</b>	<b>101,608,228</b>
Additions	8,735,734	102,614	222,096	-	1,038,656	10,099,100
Disposal	(9,351,704)	-	-	-	-	(9,351,704)
<b>At March 31, 2022</b>	<b>98,065,979</b>	<b>324,014</b>	<b>772,742</b>	<b>2,090,363</b>	<b>1,102,526</b>	<b>102,355,624</b>

**Accumulated Depreciation**

	Computer Equipment (ZAR)	Plant Machinery (ZAR)	Office Equipment (ZAR)	Furniture and Fittings (ZAR)	Under Construction (ZAR)	Total (ZAR)
<b>At March 31, 2020</b>	<b>(37,804,770)</b>	<b>(108,698)</b>	<b>(795,512)</b>	<b>(1,850,005)</b>	-	<b>(40,558,985)</b>
Depreciation Charged during the year	(19,678,259)	(22,140)	(80,058)	(100,301)	-	(19,880,758)
Retirement	3,060,628	-	689,077	286,022	-	4,035,727
<b>At March 31, 2021</b>	<b>(54,422,401)</b>	<b>(130,838)</b>	<b>(186,493)</b>	<b>(1,664,284)</b>	-	<b>(56,404,016)</b>
Depreciation Charged during the year	(16,217,583)	(29,899)	(117,855)	(83,154)	-	(16,448,491)
Retirement	6,127,242	-	-	-	-	6,127,242
<b>At March 31, 2022</b>	<b>(64,512,742)</b>	<b>(160,737)</b>	<b>(304,348)</b>	<b>(1,747,438)</b>	-	<b>(66,725,267)</b>

**Net Book Value**

<b>At March 31, 2022</b>	<b>33,553,237</b>	<b>163,277</b>	<b>468,394</b>	<b>342,925</b>	<b>1,102,526</b>	<b>35,630,357</b>
<b>At March 31, 2021</b>	<b>44,259,548</b>	<b>90,562</b>	<b>364,153</b>	<b>426,079</b>	<b>63,870</b>	<b>45,204,212</b>

**8. Intangible Assets**

	Customer Relationship (ZAR)	Software Application (ZAR)	Total (ZAR)
<b>At March 31, 2020</b>	<b>20,812,620</b>	<b>2,039,922</b>	<b>22,852,542</b>
Amount capitalized during the year	-	65,264,254	65,264,254
Additions	-	1,446,144	1,446,144
Disposal	-	(173,679)	(173,679)
<b>At March 31, 2021</b>	<b>20,812,620</b>	<b>68,576,641</b>	<b>89,389,261</b>
Additions	-	-	-
Disposal	-	(638,334)	(638,334)
<b>At March 31, 2022</b>	<b>20,812,620</b>	<b>67,938,307</b>	<b>88,750,927</b>

**Accumulated Amortisation**

	Customer Relationship (ZAR)	Software Application (ZAR)	Total (ZAR)
<b>At March 31, 2020</b>	<b>(17,636,738)</b>	<b>(2,039,922)</b>	<b>(19,676,660)</b>
Amortisation, charge for the year	(595,488)	(22,155,622)	(22,751,110)
Amortisation reversal on assets	-	173,679	173,679
<b>At March 31, 2021</b>	<b>(18,232,226)</b>	<b>(24,021,865)</b>	<b>(42,254,091)</b>
Amortisation, charge for the year	(526,648)	(22,290,131)	(22,816,779)
Amortisation reversal on assets	-	-	-
<b>At March 31, 2022</b>	<b>(18,758,874)</b>	<b>(46,311,996)</b>	<b>(65,070,870)</b>

**Net Book Value**

<b>At March 31, 2022</b>	<b>2,053,746</b>	<b>21,626,311</b>	<b>23,680,057</b>
<b>At March 31, 2021</b>	<b>2,580,394</b>	<b>44,554,776</b>	<b>47,135,170</b>

The gross carrying amount of fully depreciated property plant &amp; equipment &amp; intangible's, that is still in use as at 31st March 2022 is ZAR 9,288,583.

	31 March 2022	31 March 2021
	ZAR	ZAR
<b>9. Goodwill</b>	<b>124,730,903</b>	<b>124,730,903</b>
	<b>124,730,903</b>	<b>124,730,903</b>

The table below shows the values and lives of intangible assets recognized on acquisition of select IBM software products for security, marketing, commerce, and digital solutions:

Asset description	Amount (ZAR)	Life (Years)	Basis of amortization
Customer relationships	3,437,235	10	In proportion of estimated revenue
Goodwill - IBM software products	6,016,784	-	-
Goodwill - Axon	118,714,119	-	-

Impairment testing for cash generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.



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	31 March 2022 ZAR	31 March 2021 ZAR
<b>9 Goodwill (continued)</b>		
The aggregate carrying amounts of goodwill allocated	124,730,903	124,730,903
	<b>124,730,903</b>	<b>124,730,903</b>
The recoverable amount of the unit was based on its value in use, determined by discounting the future cash flows that generated from the business acquired. Value in use was computed based on the following key assumptions:		
i.) Cash flows were projected based on the financial year ended 31 March 2022 actual operating results and the Company's 5-years business plan, with average net margin applied of 8% (2021: 9%) per annum for the years 2023 to 2027.		
ii.) The terminal value was estimated using the perpetuity growth model, with a weighted average growth rate to perpetuity of 2% (2021: 2%).		
iii.) A pre-tax discount rate of 17% (2021: 16%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry average weighted average cost of capital.		
With regard to the assessment of value in use of this CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of this CGU to differ materially from its recoverable amount except for the changes in the prevailing operating environment, the impact of which is not expected to be significant.		
<b>10 Non-Current Receivables</b>		
Finance lease receivables	59,196,095	90,365,912
Deposits	7,512	126
Prepaid expenses	10,454,159	1,904,529
Unbilled receivables	7,869,233	7,045,473
	<b>77,526,999</b>	<b>99,316,040</b>
<b>11 Deferred Contract Cost</b>		
<b>Non Current</b>		
Deferred contract cost - Non group	23,902,304	30,841,875
	<b>23,902,304</b>	<b>30,841,875</b>
<b>Current</b>		
Deferred contract cost - group (refer note 31 (d))	15,250,453	18,453,641
Deferred contract cost - Non group	10,471,521	13,728,777
	<b>25,721,974</b>	<b>32,182,418</b>
	<b>49,624,278</b>	<b>63,024,293</b>
<b>12 Deferred Tax</b>		
Deferred tax relates to the following:		
	<b>Statement of Financial Position</b>	<b>Statement of Comprehensive Income</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
Obsolete inventory	61,443	56,000
Contract liability / Deferred contract cost (Net)	15,572,201	11,589,443
Bonus provision	1,972,497	1,657,268
Other payroll liability	629,570	-
Other current assets	919,035	1,625,303
Leave pay provision	970,981	1,005,107
Provision for doubtful debts	221,278	714,632
Other provisions	84,479	-
Tangible assets	(362,653)	(140,895)
Net Prepayment	(3,179,117)	(2,280,456)
IPR amortization cost	(575,049)	(722,510)
Finance lease	(7,936,125)	(10,328,137)
Leases	10,892	-
<b>Deferred tax benefit / (expense)</b>	<b>-</b>	<b>(5,213,677)</b>
<b>Net deferred tax assets</b>	<b>8,389,432</b>	<b>3,175,755</b>
Reflected in the statement of financial position as follows:		
Deferred tax assets	20,442,376	16,647,753
Deferred tax liabilities	(12,052,944)	(13,471,998)
<b>Net deferred tax assets</b>	<b>8,389,432</b>	<b>3,175,755</b>
Reconciliation of deferred tax assets, net		
<b>As of 1 April 2021</b>	<b>3,175,755</b>	<b>6,581,825</b>
Tax income (expense) during the year recognized in profit and loss	5,213,677	(3,406,070)
<b>As at 31 March 2022</b>	<b>8,389,432</b>	<b>3,175,755</b>
Tax income (expense) during the year recognized in profit and loss	-	-
<b>As at 31 March 2022</b>	<b>8,389,432</b>	<b>3,175,755</b>
<b>13 Cash and cash equivalents</b>		
Cash at Bank	153,643,847	54,734,608
Term Deposit	60,000,000	194,000,000
	<b>213,643,847</b>	<b>248,734,608</b>
<b>14 Receivable from ultimate Holding company and fellow subsidiary</b>		
Trade Receivable-group (refer note 31 (d))	17,190,098	19,660,300
Unbilled receivables (refer note 31 (d))	448,916	26,112
	<b>17,639,014</b>	<b>19,686,412</b>

Amount due from ultimate holding and fellow subsidiaries are unsecured, interest-free and repayable under normal trading terms.

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	31 March 2022 ZAR	31 March 2021 ZAR
<b>15 Inventories</b>		
Inventory in hand	6,547,289	3,817,853
Less: Provision for inventory	(1,525,389)	(1,481,034)
	<b>5,021,900</b>	<b>2,336,819</b>
Inventories are components that are used to support the company's installation service with customers. These are mainly servers, storage devices, backup devices & networking equipment which are purchased from vendor and will be billed to the customer as and when the project requirement got received.		
<b>16 Unbilled Receivables</b>		
Unbilled Receivables	40,241,757	15,283,734
Accrued Revenue	(24,884,340)	-
	<b>15,357,417</b>	<b>15,283,734</b>
<b>17 Trade and other receivables</b>		
Trade receivables	335,116,201	277,173,329
Less: Provision for doubtful debt	(1,317,132)	(4,253,763)
	<b>333,799,069</b>	<b>272,919,566</b>
Other receivables	94,891,895	35,677,707
Less: Provision for other current assets	(3,282,269)	(5,804,655)
	<b>91,609,626</b>	<b>29,873,052</b>

Trade receivables are generally non-interest bearing and are generally realised on an average of 30-60 days

**As at March 31, 2022 the ageing analysis of trade receivables is as follows:**

Total	Neither past due nor impaired (Up to 30 days)	Past due but not impaired		
		31-60 Days	61-180 Days	180> Days
333,799,069	254,781,179	50,157,427	24,216,425	4,644,038

**As at 31 March 2022**

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate (%)	0.03	0.93	45.54	<b>0.39</b>
Gross carrying amount (ZAR)	297,933,902	35,229,641	1,952,658	<b>335,116,201</b>
Expected credit loss (ZAR)	100,355	327,512	889,265	<b>1,317,132</b>

**As at March 31, 2021 the ageing analysis of trade receivables is as follows:**

Total	Neither past due nor impaired (Up to 30 days)	Past due but not impaired		
		31-60 Days	61-180 Days	180> Days
272,919,566	164,045,659	92,080,299	10,734,034	6,059,573

**As at 31 March 2021**

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate (%)	0.16	0.19	16.62	<b>0.53</b>
Gross carrying amount (ZAR)	168,299,422	102,814,334	6,059,573	<b>277,173,329</b>
Expected credit loss (ZAR)	275,917	197,742	1,007,375	<b>1,481,034</b>

**18 Finance Lease Receivables**

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

**31 March, 2022**

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2022-23	39,286,794	36,300,408	2,986,385
2023-24	31,469,334	30,273,836	1,195,498
2024-25	20,057,213	19,621,655	435,558
2025-26	9,374,685	9,300,604	74,081
<b>Total</b>	<b>100,188,026</b>	<b>95,496,503</b>	<b>4,691,522</b>

**31 March, 2021**

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2021-22	38,315,386	32,329,259	5,986,126
2022-23	36,492,643	32,520,038	3,972,605
2023-24	30,838,860	28,945,200	1,893,660
2024-25	20,309,957	19,561,988	747,969
2025-26	9,440,928	9,338,686	102,242
<b>Total</b>	<b>135,397,774</b>	<b>122,695,171</b>	<b>12,702,602</b>

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**Financial Statements for the year ended 31 March 2022****Notes to the financial statements (Continued)**

	31 March 2022 ZAR	31 March 2021 ZAR
<b>19 Share capital</b>		
<b>Authorized</b>		
200,000,000 (2020 : 20,000,000) ordinary shares of ZAR 1 each	200,000,000	200,000,000
<b>Issued</b>		
87,000,000 (2020: 87,000,000) ordinary shares of ZAR 1 each	<b>87,000,000</b>	<b>87,000,000</b>
<b>20 Share Based Payment Reserve</b>		
Share Based Payment Reserve	<b>103,175,741</b>	<b>103,175,741</b>

For attaining the shareholding requirement of more than 51% of black ownership in HCL Technologies Pty Limited (operating entity), necessary restructuring took place in previous years, wherein Axon Group Limited (part of HCL group) donated its 30% holding in Anzospan Investment Pty Limited to HCL Foundation Trust and Anzospan Investment Pty Limited transferred its 24% shares held in HCL Technologies South Africa Pty Limited each to HCL BEE Trust and HCL Ownership Trust respectively, created for the benefit of black people.

The aforesaid transaction is considered as equity-settled share-based payment transaction and gives rise to a share based payment expense based on BEE credentials received by the company as a result of the same. Since there are no vesting condition in the transaction, the underlying instruments is measured at fair value and share based expense are recognized immediately at the grant date.

The fair value of the share based payment plan has been measured using a Monte Carlo simulation. The inputs used in the measurement of fair value at the grant date of the equity settled share based payment plan were as follows:

Valuation date	31 January 2020
Settlement date	31 March 2025
Call option exercise date	31 March 2037
Annual dividend yield	10%
Interest Rate	10.75%
Equity value of operating company	ZAR 405 M

<b>21 Contract liability</b>		
Current	100,853,653	37,306,353
Non-Current	4,383,073	4,586,951
	<b>105,236,726</b>	<b>41,893,304</b>

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized.

<b>22 Provisions</b>		
<b>Current</b>		
Leave encashment	3,467,790	3,589,668
Bonus	7,044,632	5,918,816
	<b>10,512,422</b>	<b>9,508,484</b>

<b>Movement of provisions</b>	<b>Leave encashment</b>	<b>Bonus</b>	<b>Total</b>
Opening	3,589,668	5,918,816	9,508,484
Charge during the year	-	-	-
Payout/reversal of provisions during the year	(121,878)	1,125,816	1,003,938
Closing Balance	<b>3,467,790</b>	<b>7,044,632</b>	<b>10,512,422</b>

The provision for leave pay represents the potential liability for leave days accrued, and not utilised by staff members. The provision is expected to be utilised through employee leave days or, under exceptional circumstances, to be paid to relevant employees.

The bonus provision represents the potential liability to certain staff members for bonuses calculated based on the company's financial year performance. The amounts of the bonuses are uncertain, as the bonuses are awarded at the holding company's discretion.

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**Financial Statements for the year ended 31 March 2022****Notes to the financial statements (Continued)**

	31 March 2022 ZAR	31 March 2021 ZAR
<b>23 Loan from Fellow Subsidiaries</b>		
Axon Solutions Limited (refer note 31 (d))	-	10,195,100
	<b>-</b>	<b>10,195,100</b>
The Company entered into unsecured short-term loan facility agreement with Axon Solutions Limited in amount of GBP 500,000. This loan is intended for the Company working capital and will be payable on demand with interest of LIBOR rate + 200 bps per annum.		
<b>24 Owed to ultimate Holding company and fellow subsidiary</b>		
Trade payables - group (refer note 31 (d))	196,863,028	273,415,114
Advance received - group (refer note 31 (d))	378,686	-
Interest payable on Loan - group (refer note 31 (d))	2,373,441	2,529,664
	<b>199,615,155</b>	<b>275,944,778</b>
Amount owed to ultimate holding and fellow subsidiaries arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms.		
<b>25 Trade and other payables</b>		
Trade payables	52,589,050	63,073,928
Accruals	37,100,110	32,944,331
Advance received from customer	440,988	3,413
VAT Payable	31,738,470	20,014,153
Other payables	55,793,845	25,213,979
	<b>177,662,463</b>	<b>141,249,804</b>
a) Trade payables are non interest bearing and are normally settled on 30-60 day terms.		
b) VAT liability is paid within a period of one month from date of recognition.		
<b>26 Leases</b>		
The Company's leasing arrangements are in respect of leases for office spaces only. The Company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.		
The details of the right-of-use asset held by the entity is as follows:		
<b>Building</b>		
<b>At 01 April 2021</b>	-	714,342
Additions	1,075,621	8,437
Disposal	-	-
Charges for the year	(522,066)	(722,779)
<b>At March 31, 2022</b>	<b>553,555</b>	-
<b>Lease liability</b>		
Capital lease obligation - non current	412,451	-
Capital lease obligation - current	953,583	-
	<b>1,366,034</b>	-
The reconciliation of lease liabilities is as follows:		
<b>At 01 April 2021</b>	-	669,530
Additions	2,234,338	-
Amounts recognized in statement of comprehensive income as interest expense	49,001	13,703
Payment of lease liability	(917,305)	(683,233)
<b>At March 31, 2022</b>	<b>1,366,034</b>	-
The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2022:		
<b>Particulars</b>		
Not later than one year	982,080	-
Between one and three years	418,428	-
<b>Total Lease Payments</b>	<b>1,400,508</b>	-
Imputed Interest	(34,474)	-
<b>Total Lease Liabilities</b>	<b>1,366,034</b>	-
<b>27 Income Tax Payable</b>		
Advance Tax	(41,791,074)	(31,288,639)
Income Tax Provisions	51,528,435	42,575,425
	<b>9,737,361</b>	<b>11,286,786</b>

**Notes to the financial statements (Continued)****28 Commitments****a) Capital commitments**

Capital commitment are for estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at the balance sheet date March 31, 2022 amounting to ZAR 847,057 (2021: ZAR 1,138,230)

**29 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 agrees 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 in changes in the market interest rates. Company's exposure to the risk of changes in market interest rates relates primarily to the company's debt with floating interest rates.

Increase / (decrease) in basis points	Effect on loss for the year increase / (decrease) (in ZAR)	
	31 March 2022	31 March 2021
100	-	101,951
-100	-	(101,951)

**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 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 customers. 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 11 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.

**Financial assets that are either past due or impaired**

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (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.

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## Notes to the financial statements (Continued)

## 29 Financial instrument risk management (Continued)

	31 March 2022		31 March 2021	
	Change in Rate	Effect on profit before tax	Change in Rate	Effect on profit before tax
		ZAR		ZAR
EUR	-7%	111,828	-11%	4,301
GBP	-7%	217,071	-8%	913,123
INR	-5%	(92)	-14%	3,533
AED	-2%	2,146	-17%	1,117
COP	-3%	69	-10%	241
USD	-2%	715,994	-17%	(375,029)
BRL	19%	(830,660)	-25%	1,139,527
CLP	-10%	14,865	0%	-
CNY	1%	(15,513)	0%	-
MYR	-3%	15,737	0%	-
ARS	-19%	47,133	0%	-
BGN	-7%	17,965	0%	-
CRC	-9%	41,889	0%	-
CZK	-1%	2,356	0%	-
IDR	-1%	512	0%	-
LKR	-33%	121,603	0%	-
MXN	1%	(3,520)	0%	-
THB	-8%	18,244	0%	-
TWD	-2%	824	0%	-
VND	-1%	186	0%	-
SEK	-8%	886	-4%	393

EUR	7%	(111,828)	11%	(4,301)
GBP	7%	(217,071)	8%	(913,123)
INR	5%	92	14%	(3,533)
AED	2%	(2,146)	17%	(1,117)
COP	3%	(69)	10%	(241)
USD	2%	(715,994)	17%	375,029
BRL	-19%	830,660	25%	(1,139,527)
CLP	10%	(14,865)	0%	-
CNY	-1%	15,513	0%	-
MYR	3%	(15,737)	0%	-
ARS	19%	(47,133)	0%	-
BGN	7%	(17,965)	0%	-
CRC	9%	(41,889)	0%	-
CZK	1%	(2,356)	0%	-
IDR	1%	(512)	0%	-
LKR	33%	(121,603)	0%	-
MXN	-1%	3,520	0%	-
THB	8%	(18,244)	0%	-
TWD	2%	(824)	0%	-
VND	1%	(186)	0%	-
SEK	8%	(886)	4%	(393)

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 to a shortage of funds 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.

Liabilities		1 Year	2-5 Year	Over 5 Year	Total
<b>March 31, 2022</b>					
Owed to ultimate holding company fellow subsidiaries	Interest free	199,615,155	-	-	199,236,469
Trade and other payables	Interest free	177,662,463	-	-	178,041,149
<b>March 31, 2021</b>					
Loan from fellow subsidiaries	2.5% p.a.	10,195,100	-	-	10,195,100
Owed to ultimate holding company fellow subsidiaries	Interest free	275,944,778	-	-	275,944,778
Trade and other payables	Interest free	141,249,804	-	-	141,249,805

**Fair value**

At March 31, 2022 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 financial statements (Continued)**

**30 Classification of Financial Instrument**

<b>31 March 2022</b>	<b>Loans and receivables / (financial liabilities at amortized cost) ZAR</b>	<b>Non-financial assets / liabilities ZAR</b>	<b>Total ZAR</b>
<b>Assets</b>			
Trade and other receivables	333,799,069	91,609,626	425,408,695
Cash and cash equivalents	213,643,847	-	213,643,847
Contract asset	19,835,713	-	19,835,713
Unbilled receivable	15,357,417	-	15,357,417
Finance Lease Receivable	95,496,504	-	95,496,504
Deferred contract cost	-	49,624,278	49,624,278
	<b>678,132,550</b>	<b>141,233,904</b>	<b>819,366,454</b>
<b>Liabilities</b>			
Owed to parent and fellow subsidiaries	199,615,155	-	199,615,155
Trade and other payables	145,923,993	31,738,470	177,662,463
Contract liability	-	4,383,073	4,383,073
<b>Total</b>	<b>345,539,148</b>	<b>36,121,543</b>	<b>381,660,691</b>

<b>31 March 2021</b>	<b>Loans and receivables / (financial liabilities at amortized cost) ZAR</b>	<b>Non-financial assets / liabilities ZAR</b>	<b>Total ZAR</b>
<b>Assets</b>			
Trade and other receivables	272,919,566	29,873,052	302,792,618
Cash and cash equivalents	248,734,608	-	248,734,608
Contract asset	4,042,853	-	4,042,853
Unbilled receivable	15,283,734	-	15,283,734
Finance Lease Receivable	122,695,172	-	122,695,172
Deferred contract cost	-	63,024,293	63,024,293
	<b>663,675,933</b>	<b>92,897,345</b>	<b>756,573,278</b>
<b>Liabilities</b>			
Loan from fellow subsidiaries	10,195,100	-	10,195,100
Owed to parent and fellow subsidiaries	275,944,778	-	275,944,778
Trade and other payables	121,235,650	20,014,153	141,249,804
Contract liability	-	4,586,951	4,586,951
<b>Total</b>	<b>407,375,528</b>	<b>24,601,104</b>	<b>431,976,633</b>

**31 Related Party Transactions**

a) **Related parties where control exists**

**Holding company (Parent company)**

Anzospan Investment Proprietary Limited

**Ultimate holding company**

HCL Technologies Limited

b) **Related parties with whom transactions have taken place during the year**

**Ultimate holding company**

HCL Technologies Limited

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**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Notes to the financial statements (Continued)****31 Related Party Transactions (continued)****Fellow Subsidiaries**

Axon Group Limited UK	HCL Technologies Mexico S DE RL DE CV
Axon Solutions Limited	HCL Technologies Middle East FZ- LLC
Axon Solutions Singapore Pte Limited	HCL Technologies Norway AS
C3i Europe Eood	HCL Technologies Philippines Inc
Celeritifintech Limited	HCL Technologies Romania s.r.l.
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	HCL Technologies Sollutions GmbH (fly Axon Soltns Schz GmbH)
Geometric Europe, GmbH	HCL Technologies South Africa (Proprietary) Limited
HCL (Brazil) Tecnologia Da Informacao EIRELI	HCL Technologies Sweden AB.
HCL (Ireland) Information Systems Limited	HCL Technologies UK Limited
HCL (New Zealand) Limited	HCL Technologies Vietnam Company Limited
HCL America Inc.	PT. HCL Technologies Indonesia
HCL Argentina s.a.	Telerx Marketing, Inc.
HCL Asia Pacific Pte Limited	
HCL Australia Services Pty. Limited	
HCL Axon Solutions (Shanghai) Co., Limited	
HCL Belgium NV	
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	
HCL Comnet Systems and Services Limited	
HCL EAS Limited	
HCL GmbH	
HCL Great Britain Limited	
HCL Guatemala, Sociedad Anonima	
HCL Hong Kong SAR Limited	
HCL Hungary Kft	
HCL Istanbul Bilisim Teknolojileri Limited sirketi	
HCL Japan Limited	
HCL Latin America Holding LLC	
HCL Netherlands B.V.	
HCL Poland Sp.z.o.o.	
HCL Saudi Arabia LLC	
HCL Singapore Pte. Limited	
HCL Sweden AB	
HCL Technologies (Shanghai) Limited	
HCL Technologies (Taiwan) Limited.	
HCL Technologies (Thailand) Limited.	
HCL Technologies Austria GmbH	
HCL Technologies Beijing Co., Limited	
HCL Technologies Belgium BVBA	
HCL Technologies BV	
HCL Technologies Chile SpA	
HCL Technologies Colombia SAS	
HCL Technologies Corporate Services Limited	
HCL Technologies Czech Republic s.r.o.	
HCL Technologies Denmark ApS	
HCL Technologies Egypt Limited	
HCL Technologies Finland Oy	
HCL Technologies France	
HCL Technologies Germany GmbH	
HCL Technologies Greece Single Member P.C.	
HCL Technologies Italy S.p.A.	
HCL Technologies Lanka (Private) Limited	
HCL Technologies Limited	
HCL Technologies Lithuania UAB	
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	

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**Notes to the financial statements (Continued)**

**C) Transactions with related parties during the year in ordinary course of business**

Particulars	Fellow Subsidiaries		Ultimate holding company	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31 2022	March 31 2021	March 31, 2022	March 31 2021
	ZAR	ZAR	ZAR	ZAR
<b>Interest expenses</b>				
Axon Solutions Limited	9,105	261,725	-	-
<b>Total</b>	<b>9,105</b>	<b>261,725</b>	-	-
<b>Insurance expenses</b>				
HCL Technologies Limited	-	-	471,002	550,201
<b>Total</b>	-	-	<b>471,002</b>	<b>550,201</b>
<b>Marketing Cost</b>				
HCL Great Britain Limited	21,682,070	50,272,258	-	-
HCL Technologies UK Limited	15,246,596	-	-	-
<b>Total</b>	<b>36,928,666</b>	<b>50,272,258</b>	-	-
<b>Consulting charges</b>				
HCL Technologies Limited	-	-	755,859,785	554,551,715
Axon Solutions Limited	-	74,894	-	-
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	-	12,819	-	-
HCL (Brazil) Tecnologia Da Informacao EIRELI	270,483	138,318	-	-
HCL Technologies Colombia SAS	-	555,477	-	-
HCL America Inc.	14,999,279	6,478,683	-	-
HCL Argentina s.a.	123,655	177,139	-	-
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	375,522	625,491	-	-
HCL Axon Solutions (Shanghai) Co., Limited	-	550,900	-	-
HCL Great Britain Limited	1,283,260	1,167,800	-	-
HCL Technologies Mexico S DE RL DE CV	-	443,509	-	-
HCL Singapore Pte. Limited	1,029,855	4,221,263	-	-
HCL Technologies (Shanghai) Limited	-	1,247,360	-	-
HCL Technologies BV	170,586	600,378	-	-
HCL Technologies Chile SpA	1,053,374	40,275	-	-
HCL Technologies Denmark ApS	12,132	87,845	-	-
HCL Technologies South Africa (Proprietary) Limited	18,438	(947,794)	-	-
HCL Australia Services Pty. Limited	90,908	75,935	-	-
HCL Technologies Malaysia SDN BHD.	611,935	-	-	-
HCL Technologies Italy S.p.A.	50,215	-	-	-
HCL Poland Sp.z.o.o.	1,051,913	847,796	-	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	339,239	48,923	-	-
HCL Technologies Beijing Co., Limited	1,251,938	86,577	-	-
HCL Technologies UK Limited	7,964,053	5,229,799	-	-
HCL Technologies Germany GmbH	3,590,514	246,906	-	-
HCL Technologies Belgium BVBA	289,162	22,280	-	-
HCL Technologies Middle East FZ- LLC	-	117,694	-	-
HCL Technologies Sweden AB.	102,141	1,936,154	-	-
HCL Technologies Vietnam Company Limited	227,523	230,690	-	-
HCL Technologies France	732,451	273,987	-	-
HCL (New Zealand) Limited	14,040	-	-	-
HCL Saudi Arabia LLC	9,368	124,311	-	-
HCL Technologies (Taiwan) Limited.	-	(51,991)	-	-
HCL Latin America Holding LLC	84,283	474,957	-	-
HCL Sweden AB	-	3,428	-	-
HCL Netherlands B.V.	-	1,731	-	-
HCL (Ireland) Information Systems Limited	-	155,855	-	-
HCL Technologies Czech Republic s.r.o.	-	378,171	-	-
HCL Technologies Norway AS	-	108,878	-	-
C3i Europe Eood	191,380	54,294	-	-
PT. HCL Technologies Indonesia	61,561	10,619	-	-
HCL Asia Pacific Pte Limited	-	21,792	-	-
HCL Technologies (Thailand) Limited.	152,910	65,369	-	-
HCL Technologies Lanka (Private) Limited	2,900,429	43,521	-	-
HCL Guatemala, Sociedad Anonima	-	542,025	-	-
Telrex Marketing, Inc.	17,239	-	-	-
HCL Technologies Austria GmbH	22,805	-	-	-
Geometric Europe, GmbH	23,439	-	-	-
HCL Technologies Egypt Limited	90,613	-	-	-
HCL Technologies Philippines Inc	27,133	-	-	-
<b>Total</b>	<b>39,233,776</b>	<b>26,524,058</b>	<b>755,859,785</b>	<b>554,551,715</b>
<b>Software services</b>				
HCL Technologies Limited	-	-	3,138,874	3,813,888
HCL (New Zealand) Limited	52,020	-	-	-
HCL America Inc.	221,222	-	-	-
HCL Australia Services Pty. Limited	515,707	987,859	-	-
HCL Axon Technologies Inc.-SD (FY Axon Solutions (Canada) I	89,200	9,610	-	-
HCL Great Britain Limited	49,712	-	-	-
HCL Hong Kong SAR Limited	101,501	-	-	-
HCL Hungary Kft	-	151,780	-	-
HCL Technologies Germany GmbH	1,725,625	27,719	-	-
HCL Japan Limited	352,095	72,358	-	-
HCL Technologies B.V.	23,245	270,561	-	-
HCL Technologies Italy S.P.A.	201,555	-	-	-
HCL (Brazil) Tecnologia da informacao EIRELI (FY as HCL (Brazil) Tecnologia da informacao Ltda.)	558,588	55,945	-	-
HCL Technologies South Africa (Proprietary) Limited	117,644	464,169	-	-
HCL Technologies Belgium BVBA	596,464	129,395	-	-
HCL Singapore Pte. Limited	353,035	385,747	-	-
HCL Technologies Middle East FZ-LLC	434,569	116,733	-	-
HCL Axon Solutions (Shanghai) Co. Limited.	1,257,274	701,600	-	-
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	53,662	-	-	-
HCL Poland Sp.z.o.o.	26,994	-	-	-
HCL (Ireland) Information Systems Limited	146,826	-	-	-
HCL Technologies Solutions GmbH (fly Axon Soltns Schz GmbH)	136,643	-	-	-
HCL Technologies Chile SpA	52,083	-	-	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	141,607	-	-	-
HCL Technologies Greece Single Member P.C.	21,096	-	-	-
HCL Technologies Czech Republic s.r.o.	12,997	-	-	-



**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

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**Financial Statements for the year ended 31 March 2022****Notes to the financial statements (Continued)****c) Transactions with related parties during the year in ordinary course of business (Continued)**

Particulars	Fellow Subsidiaries		Ultimate holding company	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31 2022	March 31 2021	March 31, 2022	March 31 2021
	ZAR	ZAR	ZAR	ZAR
HCL Technologies Denmark ApS	215,910	87,695	-	-
HCL Technologies Mexico S DE RL DE CV	275,149	587,181	-	-
HCL Technologies Colombia SAS	745,345	499,894	-	-
HCL Technologies UK Limited	6,443,247	17,617,374	-	-
PT. HCL Technologies Indonesia	91,681	-	-	-
HCL Technologies Sweden AB	269,085	278,122	-	-
HCL Technologies Finland Oy	279,964	197,387	-	-
HCL Technologies Austria GmbH	92,078	201,443	-	-
HCL Technologies Corporate Services Limited	3,522,531	1,106,363	-	-
HCL Technologies Malaysia SDN BHD (Fy HCL Axon Malaysia SDN BHD)	-	12,269	-	-
HCL Technologies Philippines Inc	-	626,707	-	-
HCL Technologies Egypt Limited	134,100	-	-	-
HCL Asia Pacific Pte Limited	7,503	-	-	-
HCL Technologies (Thailand) Limited.	18,718	-	-	-
HCL Latin America Holding LLC	364,176	-	-	-
HCL Technologies Norway AS	54,803	-	-	-
HCL Technologies France	10,319	-	-	-
HCL Technologies (Taiwan) Limited.	185,464	44,035	-	-
<b>Total</b>	<b>19,951,417</b>	<b>24,631,946</b>	<b>3,138,874</b>	<b>3,813,888</b>

**d) Outstanding balances with related parties**

Particulars	As at 31 March 2022 ZAR	As at 31 March 2021 ZAR
<b>Owed to ultimate holding company and fellow Subsidiaries</b>		
Axon Solutions Limited	144	(5,924)
HCL (Brazil) Tecnologia da informacao EIRELI (FY HCL (Brazil) Tecnologia da informacao Ltda.)	3,948,454	3,096,129
HCL America Inc.	2,215,729	1,334,102
HCL Technologies Malaysia SDN BHD.	580,145	12,027
HCL Great Britain Limited	-	9,810,752
HCL Canada Inc. (FY HCL Axon Technologies Inc.)	78,424	-
HCL Singapore Pte. Limited	384,726	277,225
HCL Technologies B.V.	170,079	-
HCL Technologies Vietnam Company Limited	227,927	-
HCL Technologies Limited	171,669,539	255,316,900
HCL Axon Solutions (Shanghai) Co. Limited.	-	-
HCL Technologies (Taiwan) Limited	34,554	35,378
HCL Technologies Beijing Co. Limited.	1,208,311	-
HCL Technologies UK Limited	7,975,235	1,313,139
HCL Argentina s.a.	212,347	101,752
HCL Technologies Mexico S DE RL DE CV	316,892	313,371
HCL Technologies Germany GmbH	871,012	22,757
HCL Technologies Belgium BVBA	30,702	151,132
HCL Technologies Czeck Republic s.r.o.	272,402	274,758
HCL Technologies Denmark Aps	-	25,557
C3i Europe Eood	224,065	54,294
HCL Technologies France SAS	185,552	204,803
PT HCL Technologies Indonesia Limited	75,620	11,681
HCL Technologies (Thailand) Limited	219,262	65,369
HCL Latin America Holding	547,756	474,957
HCL Technologies Lanka Private Limited	2,806,700	43,431
HCL Guatemala, Sociedad Anónima	-	481,524
HCL Technologies South Africa (Proprietary) Limited	433,436	-
HCL Poland Sp.z.o.o.	616,691	-
HCL Technologies Chile SpA	1,044,727	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	339,239	-
HCL Technologies Austria GmbH	22,805	-
Geometric Europe, GmbH	23,439	-
HCL Saudi Arabia LLC	9,368	-
HCL Technologies Egypt Limited	90,613	-
HCL Technologies Philippines Inc	27,133	-
<b>Total(X)</b>	<b>196,863,028</b>	<b>273,415,114</b>

**HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary) Ltd.)**

(Registration number 2009/003046/07)

**Financial Statements for the year ended 31 March 2022****Notes to the financial statements (Continued)****d) Outstanding balances with related parties (Continued)**

Particulars	As at 31 March 2022 ZAR	As at 31 March 2021 ZAR
<b>Interest payable</b>		
Axon Group Limited UK	435,863	466,252
Axon Solutions Limited	1,937,578	2,063,412
<b>Total (Y)</b>	<b>2,373,441</b>	<b>2,529,664</b>
<b>Advance received</b>		
HCL Technologies Italy S.p.A.	378,686	-
<b>Total (Z)</b>	<b>378,686</b>	<b>-</b>
<b>Total (X)+(Y)+(Z)</b>	<b>199,615,155</b>	<b>275,944,778</b>
<b>Short Term Loans</b>		
Axon Solutions Limited	-	10,195,100
<b>Total</b>	<b>-</b>	<b>10,195,100</b>
<b>Trade receivable</b>		
HCL Technologies Limited	1,314,140	2,636,197
JSP Consulting Sdn Bhd	7,641	7,641
HCL Technologies Mexico S DE RL DE CV	-	590,945
HCL Japan Limited	352,095	72,358
HCL Technologies Germany GmbH	896,937	2,390
Axon Solutions Limited	5,913	5,913
HCL (Brazil) Tecnologia da informacao EIRELI (FY HCL (Brazil) Tecnologia da informacao Ltda.)	613,990	102,976
HCL America Inc.	1,218,034	1,863,124
HCL Argentina s.a.	169,271	169,019
HCL Australia Services Pty. Limited	-	228,014
HCL Singapore Pte. Limited	-	232,888
HCL Technologies (Shanghai) Limited	856,646	856,646
HCL Technologies Chile Spa	25,713	(216)
HCL Technologies Columbia S.A.S.	1,263,773	518,369
HCL Technologies Norway AS	-	(6,459)
HCL Technologies South Africa (Proprietary) Limited	2,177,251	1,273,511
HCL Technologies UK Limited	1,350,811	6,696,545
HCL Technologies B.V.	2,825	4,094
PT HCL Technologies Indonesia Limited	97,374	5,693
HCL Technologies Belgium BVBA	254,177	128,852
HCL Technologies Middle East FZ-LLC	-	26,957
HCL Axon Solutions (Shanghai) Co. Limited.	4,584,733	3,327,459
HCL Hungary Kft	-	151,780
HCL Technologies Sweden AB	61,766	83,154
HCL Technologies Austria GmbH	-	11,708
HCL Technologies Philippines, Inc	-	626,707
HCL Technologies (Taiwan) Limited	194,244	44,035
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	24,498	-
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	53,662	-
HCL Poland Sp.z.o.o.	26,994	-
HCL Technologies Finland Oy	17,743	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	141,607	-
HCL Technologies Corporate Services Limited	1,085,047	-
HCL Technologies France	10,319	-
HCL Technologies (Thailand) Limited.	18,718	-
HCL Latin America Holding LLC	364,176	-
<b>Total(A)</b>	<b>17,190,098</b>	<b>18,894,695</b>
<b>Unbilled receivable</b>		
HCL Technologies Limited	448,916	26,112
<b>Total(B)</b>	<b>448,916</b>	<b>26,112</b>
<b>Receivable from fellow Subsidiaries (A+B)</b>	<b>17,639,014</b>	<b>18,920,807</b>
<b>Deferred contract cost- Current</b>		
HCL Technologies Limited	15,250,453	18,453,641
<b>Total</b>	<b>15,250,453</b>	<b>18,453,641</b>

**Terms and conditions of transactions with related parties**

Outstanding balances at year-end are unsecured, interest free (except loan from parent company) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the company has not recorded any impairment of receivables relating to amounts owed by related parties.

**Notes to the financial statements (Continued)**

**32 Retirement benefits**

All eligible employees are members of the HCL Axon S.A. 319 Proprietary Ltd Pension Fund defined contribution plan administered by Liberty. The plan is governed by the Pension Funds Act of 1956. Pension contributions are made by employees with HCL Axon S.A. 319 Proprietary Ltd contributing an equal amount plus administration costs of the fund. Pension costs relating to contributions recognised in the current financial year are reflected under employee benefits in Note 3.

**33 Capital management**

	<b>31 March 2022 ZAR</b>	<b>31 March 2021 ZAR</b>
Share capital	87,000,000	87,000,000
Accumulated profit	359,036,674	327,538,679
	<b>446,036,674</b>	<b>414,538,679</b>

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. To maintain the capital structure, the company may issue new shares.

**34 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.

Non-executive directors' (Luyolo Poswa) fees reflect their services as directors and services on various sub-committees on which they serve. Total remuneration paid for their services in current Period is ZAR Nil (PY ZAR Nil), non-executive directors do not earn attendance fees.

Executive directors' (Balungile Phili) fees, appointed on 1 August 2019, reflect their services as directors and services on various sub-committees on which they serve. Total remuneration paid for their services in current Period is ZAR 2,084,032 (PY ZAR 1,467,523).

Non-executive directors do not participate in any incentive schemes or plans of any kind.

**35 Subsequent Event**

Other than the matters mentioned below, there have been no significant subsequent events since the year ended 31 March'22 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.

On 24.02.2022, the Russian Federation began a war with Ukraine. At the moment, the Management Board of the Company does not record any significant effects related to the impact of the conflict on its operations. The Management Board of the Company monitors the developments related to the continuing hostilities on an ongoing basis and assesses the potential impact on the Company's operations. As at the date of this financial statements, due to dynamically changing conditions, it is not possible to clearly define the impact of war and sanctions imposed in various jurisdictions on the Company's operations, financial results and development prospects.

**36 Going Concern**

The company earned a for the period ended 31 March 2022 of R 96,497,996 as compared to profit in last year ended 31 March 2021 – R 105,638,249 and as at that date its total assets exceeded its total liabilities by R 549,212,415 (31 March 2021 – R 517,714,419). In addition, current assets exceed current liabilities by R 259,594,331 (31 March 2021 – R 171,897,415). 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.

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