

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

Separate Financial Statements for the year ended 31 March 2022

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

HCL Technologies South Africa Proprietary Limited
(Registration number 2010/015378/07)
Separate Financial Statements for the year ended 31 March 2022

General Information

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

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Separate Financial Statements for the year ended 31 March 2022

General Information (continued)

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Prateek Aggarwal

Prateek Aggarwal

Authorised Director

Sundaram Sridharan

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

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

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

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

The directors have reviewed the company's cash flow forecast for the year ended 31st March 2022 till the date of signing, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

Approval of Audited Annual Financial Statements

The audited separate annual financial statements set out on pages 9 to 26 were approved by the board of directors on 01 August 2022.

Directors' Report

1. Incorporation

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

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

2. Business and operations

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

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

Directors' Report (Continued)

3. Review of operations

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

Net profit for the year ended March 2022 was R 43,873,346 (2021: Profit R 1,702,836)

4. Share capital

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

For attaining the shareholding requirement of more than 51% of black ownership in HCL Technologies Pty Limited (formerly known as HCL Axon (Pty) Ltd) (operating entity), necessary restructuring took place in previous years wherein the company purchased 65% capital of HCL Technologies Pty Ltd and issued Class A and Class B shares to Anzospan Investment Pty Limited in lieu of purchase consideration. Further, Anzospan Investment Pty Limited transferred its 48% shares held in HCL Technologies South Africa Pty Limited to Trusts created for the benefit of black people.

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

5. Directors

Particulars of the present directors is tabulated below:

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

6. Holding company

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

7. Ultimate holding company

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

8. Going concern

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

9. Dividends

Dividend of ZAR 42,000,000 was paid during the year to the shareholders (2021: 4,356,400).

Directors' Report (Continued)

10. Auditors

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.

11. Subsequent Event

Apart from potential impacts of the coronavirus Covid-19 and war between Russian Federation and Ukraine which is given in Note 25 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.

Prateek Aggarwal

Prateek Aggarwal

Authorised Director



Sundaram Sridharan

Authorised Director



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Independent Auditor's Report

To the shareholders of HCL Technologies South Africa Proprietary Limited

Opinion

We have audited the separate financial statements of HCL Technologies South Africa Proprietary Limited (the Company) set out on pages 9 to 26, 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 separate financial statements present fairly, in all material respects, the separate financial position of HCL Technologies South Africa Proprietary Limited as at 31 March 2022, and its separate financial performance and separate cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate 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 South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2022", which includes the Directors' Report as required by the

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Companies Act of South Africa. The other information does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 separate financial statements

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

In preparing the separate 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 separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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

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involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG Inc.

Registered Auditor

A handwritten signature in dark ink, appearing to read 'M.A. Sithole', written over a light blue horizontal line.

Per MA Sithole

Chartered Accountant (SA)

Registered Auditor

Director

4 August 2022

HCL Technologies South Africa Proprietary Limited

(Registration number 2010/015378/07)

Separate Financial Statements for the year ended 31 March 2022**Separate Statement of Comprehensive Income for the year ended 31 March 2022**

		31 March 2022	31 March 2021
	Notes	R	R
Revenue	2	8,348,114	6,759,174
Cost of sales		(7,148,401)	(5,711,218)
Gross profit		1,199,713	1,047,956
Other income	4	44,039,142	1,820,518
Administrative expenses		(737,759)	(474,018)
Operating profit		44,501,096	2,394,456
Finance cost	5	(56,830)	(29,465)
Profit before taxation		44,444,266	2,364,991
Income tax	6	(570,920)	(662,155)
Profit after taxation		43,873,346	1,702,836
Other comprehensive income		-	-
Total comprehensive profit for the year		43,873,346	1,702,836

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HCL Technologies South Africa Proprietary Limited
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Separate Financial Statements for the year ended 31 March 2022

Separate Statement of Financial Position as at 31 March 2022

	Notes	31 March 2022 R	31 March 2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	7	-	83,799
Investment	8	263,250,000	263,250,000
Other receivables		-	51,093
Finance lease receivable	23	909,672	983,203
Total Non-Current Assets		264,159,672	264,368,095
Current Assets			
Cash and cash equivalents	10	50,059,339	44,988,830
Due from fellow subsidiaries	11	2,065,252	3,112,173
Inventory	12	5,884,381	3,901
Trade receivables	13	375,340	1,504,829
Advance tax		512,650	460,525
Other receivables	14	1,452,365	281,316
Finance lease receivable	23	929,563	1,220,242
Unbilled revenue from ultimate holding company and fellow subsidiaries		60,346	53,511
Total Current Assets		61,339,236	51,625,327
Total Assets		325,498,908	315,993,422
Equity and Liabilities			
Equity			
Share capital	15	266,225,000	266,225,000
Retained earnings		43,570,896	41,697,550
Total Equity		309,795,896	307,922,550
Liabilities			
Non-Current Liabilities			
Lease liability	16	71,103	278,477
Total Non-Current Liabilities		71,103	278,477
Current Liabilities			
Lease liability	16	404,641	263,162
Trade and other payables	17	8,277,457	2,305,177
Due to fellow subsidiaries	18	6,728,428	5,069,367
Deferred tax liabilities	9	221,383	154,689
Total Current Liabilities		15,631,909	7,792,395
Total Equity and Liabilities		325,498,908	315,993,422

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HCL Technologies South Africa Proprietary Limited
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Separate Financial Statements for the year ended 31 March 2022

Separate Statement of changes in equity for the year ended 31 March 2022

	Share Capital		Retained	Total
	R		Earning	Equity
	Class A	Class B	R	R
31 March 2021				
As at 1 April 2020	136,890,000	129,335,000	44,351,114	310,576,114
Total comprehensive profit for the year	-	-	1,702,836	1,702,836
Dividend Paid	-	-	(4,356,400)	(4,356,400)
Balance at 31 March 2021	136,890,000	129,335,000	41,697,550	307,922,550
31 March 2022				
As at 1 April 2021	136,890,000	129,335,000	41,697,550	307,922,550
Total comprehensive profit for the year	-	-	43,873,346	43,873,346
Dividend Paid (Note-1)	-	-	(42,000,000)	(42,000,000)
Balance at 31 March 2022	136,890,000	129,335,000	43,570,896	309,795,896

Note-1- During the year the company has paid an interim dividend of ZAR 42,000,000. Amount of dividend paid to Anzospan Investments Pty Ltd. on 10-12-2021 at the rate of ZAR 12.40 per Class A equity share of face value ZAR 1 each amounts to ZAR 39,984,000 and dividend paid to HCL BEE Trust and HCL Ownership Trust on 10-12-2021 at the rate of ZAR 0.68 per equity share of face value ZAR 1 each amounts to ZAR 1,008,000 each.

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HCL Technologies South Africa Proprietary Limited

(Registration number 2010/015378/07)

Separate Financial Statements for the year ended 31 March 2022
Separate Statement of cash flows for the year ended 31 March 2022

	31 March 2022	31 March 2021
Notes	R	R
Cash flows generated from operations		
Profit before taxation	44,444,266	2,364,991
Adjustment for :		
Depreciation	83,798	51,932
Interest income	(1,521,108)	(1,114,864)
Unrealised foreign exchange	(159,033)	(756,601)
Cash inflows before working capital changes	42,847,923	545,458
Movement in working capital changes		
Decrease / (Increase) in trade receivables	1,127,292	(273,392)
Increase in inventory	(5,880,480)	(3,901)
Increase in other receivable	(755,746)	(387,829)
Decrease in due from fellow subsidiaries	1,100,589	315,034
Increase in lease liability	23,773	605,136
Increase in trade and other payables	5,973,071	1,673,221
Increase in due to fellow subsidiaries	1,755,475	4,411,028
Net cash inflow from operations	46,191,897	6,884,755
Income tax paid	(552,828)	(611,714)
Net cash flow from operating activities	45,639,069	6,273,041
Cash flows from investing activities		
Interest income	1,521,108	1,114,864
Net cash flow from investing activities	1,521,108	1,114,864
Cash flows from financing activities		
Payment of lease liability	(89,668)	(63,497)
Dividend paid	(42,000,000)	(4,356,400)
Net cash used in financing activities	(42,089,668)	(4,419,897)
Total cash movement for the year	5,070,509	2,968,008
Cash and cash equivalents at the beginning of the year	44,988,830	42,020,822
Cash and cash equivalents at the end of year	50,059,339	44,988,830

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Accounting policies

1 Summary of significant accounting policies

1.1 Presentation of Audited Separate Annual Financial Statements

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

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

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.

1.2 Financial instruments

Financial assets

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

Cash and cash equivalents

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

Financial assets at amortized cost

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

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

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest

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.

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Accounting policies

1.2 Financial instruments (continued)

Financial assets (continued)

Equity investments

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

Derecognition of financial assets

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

Impairment of financial assets

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortized cost

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

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments

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

1.3 Tax

Current tax assets and liabilities

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

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Accounting policies

1.3 Tax (continued)

Current tax assets and liabilities (continued)

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

Deferred tax assets and liabilities

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

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

1.4 Leases

Company as a lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
- (b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfilment is dependent on a specified asset; or
- (d) There is a substantial change to the asset.

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

Company as a lessor

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

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

1.5 Plant and equipment

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

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

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Accounting policies

1.5 Plant and equipment (continued)

Computer equipment

Current Period
4-5 years

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

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

1.6 Deferred contract costs

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

1.7 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.

1.8 Revenue

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed. Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Cost of Sales

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

1.10 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.

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Accounting policies

1.11 Investments

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

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

1.12 Translation of foreign currencies

Foreign currency transactions

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

At the end of each reporting period:

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

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

1.13 Significant accounting judgements and estimates

Judgements

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

Estimation uncertainty

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

Depreciation rates

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

Trade accounts receivable

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

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Separate Financial Statements for the year ended 31 March 2022

Notes to the Separate Financial Statements (continued)

	31 March 2022	31 March 2021
Notes	R	R
2 Revenue from contract with customers		
Rendering of services	7,174,841	4,517,509
Sale of goods*	30,487	1,130,878
Sale under capital lease	1,142,786	1,088,733
Interest income on leased assets	-	22,054
	8,348,114	6,759,174
*Sale of goods comprises of sale of IT hardware items to customers.		
Timing of revenue recognition		
Goods transferred at a point in time	1,173,273	2,241,665
Services transferred over time	7,174,841	4,517,509
Total revenue from contract with customers	8,348,114	6,759,174
3 The companies profit before tax is arrived at after charging:		
Consulting charges	5,299,360	3,897,687
Cost of goods sold	288,795	1,452,891
Repair and maintenance	1,659,810	442,720
Depreciation	83,798	51,932
Auditor's remuneration	109,720	100,000
4 Other income		
Interest on customer receivables	36,859	54,114
Interest on fixed deposit	1,521,108	1,060,750
Dividend income	42,250,000	-
Foreign exchange gain, net	231,175	705,654
	44,039,142	1,820,518
5 Finance Expenses		
Bank charges	56,830	29,465
	56,830	29,465
6 Taxation		
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.		
Deferred tax is provided on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.		
Tax expenses :		
Income Tax	605,762	715,975
Deferred tax expense/(benefit)	8,632	(53,777)
Prior year under provision	(101,537)	(112)
Deferred tax Prior year under provision	58,063	69
Total Income tax expense	570,920	662,155
Accounting profit before tax from continuing operations	44,444,266	2,364,991
Accounting profit before income tax	44,444,266	2,364,991
Statutory income tax rate of 28% (2021: 28%)	12,444,394	662,198
Adjustments in respect of current income tax of previous years	(101,537)	(112)
Adjustments in respect of deferred income tax of previous years	58,063	69
Exempt income : Dividend	(11,830,000)	-
At the effective income tax rate of 28% (2021: 28%)	570,920	662,155

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Separate Financial Statements for the year ended 31 March 2022

Notes to the Separate Financial Statements (continued)

	Notes	31 March 2022 R	31 March 2021 R
6 Taxation (continued)			
Movements in advance tax			
Balance, at beginning of financial year		460,525	487,464
Income tax paid		755,925	665,422
		1,216,450	1,152,886
Prior year's over provision		101,536	112
Current financial year's tax		(605,762)	(715,975)
Currency translation difference		3,524	23,502
Refund		(203,098)	-
Balance, at end of financial year		512,650	460,525
7 Property, Plant & Equipment			
Cost			
As at March 31, 2020		1,965,104	1,965,104
Additions		-	-
Retirement		1,686,426	1,686,426
As at March 31, 2021		278,678	278,678
Additions		-	-
Retirement		188,574	188,574
As at March 31, 2022		90,104	90,104
Accumulated depreciation			
As at March 31, 2020		(1,829,373)	(1,829,373)
Depreciation charge for the year		(51,932)	(51,932)
Retirement		1,686,426	1,686,426
As at March 31, 2021		(194,879)	(194,879)
Depreciation charge for the year		(83,798)	(83,798)
Retirement		188,573	188,573
As at March 31, 2022		(90,104)	(90,104)
Net Book Value			
As at March 31, 2022		-	-
As at March 31, 2021		83,799	83,799
The gross carrying amount of fully depreciated property plant & equipment & intangible's, that is still in use as at 31st March 2022 is ZAR 587,719.			

	Notes	31 March 2022 R	31 March 2021 R
8 Investments			
Investment in subsidiaries*		263,250,000	263,250,000
		263,250,000	263,250,000

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

9 Deferred Tax			
Deferred tax assets		30,722	28,000
Deferred tax liabilities		(252,105)	(182,689)
		(221,383)	(154,689)
The balance of deferred tax is made up as follows:			
Deferred tax assets:			
Provision for doubtful debts		30,722	28,000
Total		30,722	28,000
Deferred tax liability:			
Finance lease receivables		(169,954)	(182,689)
Prepaid Expense		(82,151)	-
Total		(252,105)	(182,689)

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Separate Financial Statements for the year ended 31 March 2022

Notes to the Separate Financial Statements (continued)

	Notes	31 March 2022 R	31 March 2021 R
10 Cash and cash equivalents			
Cash and cash equivalents consist of:			
Bank balances		50,059,339	44,988,830
		50,059,339	44,988,830
11 Due from fellow subsidiaries			
Trade receivables		2,065,252	2,678,737
Advances to fellow subsidiaries		-	433,436
		2,065,252	3,112,173
Amount due from fellow subsidiaries are unsecured, interest-free and repayable under normal trading terms.			
12 Inventories			
Inventory in hand		6,148,731	6,427
Less: Provision for inventory		(264,350)	(2,526)
		5,884,381	3,901
Inventories are hardware as component requirement that are used to support the installation of the company's service to customers. These are mainly servers, storage devices, backup devices & networking equipment which are purchased from vendor & bill will be billed to the customer as & when project requirement will be received.			
13 Trade receivables			
Trade receivables		375,340	1,504,829
		375,340	1,504,829
Trade receivables are generally non-interest bearing and are generally on 30 day terms.			
As at March 31, 2022, the ageing analysis of trade receivables is as follows:			
Neither past due nor impaired			87,764
Past due but not impaired (31-60 days)			287,576
Past due but not impaired (>180 days)			-
Total			375,340
As at March 31, 2021, the ageing analysis of trade receivables is as follows:			
Neither past due nor impaired			1,211,193
Past due but not impaired (31-60 days)			265,843
Past due but not impaired (>180 days)			27,793
Total			1,504,829
14 Other receivables			
Prepayments - Current		430,508	251,391
Interest on Investments		138,087	29,925
Cenvat Credit receivable		883,770	-
		1,452,365	281,316
15 Equity			
Share capital			
Authorised capital : 10,000,000 each Class A and Class B no par value shares			
Issued & Paid up: 3,224,000 Class A no par value.			
		136,890,000	136,890,000
Issued & Paid up: 2,976,000 Class B no par value.			
		129,335,000	129,335,000
		266,225,000	266,225,000

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Separate Financial Statements for the year ended 31 March 2022

Notes to the Separate Financial Statements (continued)

	Notes	31 March 2022 R	31 March 2021 R
16 Lease liability			
Capital lease obligation - non current		71,103	278,477
Capital lease obligation - current		404,641	263,162
		475,744	541,639
The reconciliation of lease liabilities is as follows:			
At 1 April 2021		541,639	-
Additions		23,773	605,136
Payment of lease liability		(89,668)	(63,497)
At March 31, 2022		475,744	541,639
The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2022:			
Particulars			
Not later than one year		412,468	279,603
Between one and three years		71,734	286,934
Total Lease Payments		484,202	566,537
Imputed Interest		8,458	24,898
Total Lease Liabilities		475,744	541,639
17 Trade and other payables			
Trade payables		5,826,345	1,453,697
Accrued expenses		1,155,358	640,506
Other payables		1,295,754	210,974
		8,277,457	2,305,177
The trade payable are non-interest bearing and are normally settled in 60 to 90 days terms.			
18 Due to fellow subsidiaries			
Advances from fellow subsidiaries		3,262,606	4,390,275
Accrued expenses		25,793	43,656
Payables		3,440,029	635,436
		6,728,428	5,069,367

Amount due to fellow subsidiaries arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms.

19 Financial instrument risk management

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

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

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

Interest rate risk

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

Credit risk

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

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

Exposure to credit risk

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

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

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HCL Technologies South Africa Proprietary Limited
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Separate Financial Statements for the year ended 31 March 2022

Notes to the Separate Financial Statements (continued)

19 Financial instrument risk management (continued)

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 13 (trade receivables).

Foreign currency risk

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

Foreign currency sensitivity

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

	31 March 2022		31 March 2021	
	Change in Rate	Effect on profit before tax	Change in Rate	Effect on profit before tax
		R		R
USD	-2.04%	81,794	-17.07%	841,027
BRL	18.53%	(28,467)	-25.42%	39,052
CRC	-9.20%	15,825	0.00%	-
HUF	-8.99%	5,161	0.00%	-
MXN	1.12%	(2,637)	0.00%	-
MYR	-3.38%	9,133	0.00%	-
SAR	-2.05%	205	0.00%	-
TRY	-44.29%	6,732	0.00%	-
TWD	-2.33%	18,329	0.00%	-
CLP	0.00%	-	-2.59%	(605)
UGX	0.13%	63	-15.29%	(4,178)
VES	0.00%	-	-96.49%	(136,466)
USD	2.04%	(81,794)	17.07%	(841,027)
BRL	-18.53%	28,467	25.42%	(39,052)
CRC	9.20%	(15,825)	0.00%	-
HUF	8.99%	(5,161)	0.00%	-
MXN	-1.12%	2,637	0.00%	-
MYR	3.38%	(9,133)	0.00%	-
SAR	2.05%	(205)	0.00%	-
TRY	44.29%	(6,732)	0.00%	-
TWD	2.33%	(18,329)	0.00%	-
CLP	0.00%	-	2.59%	605
UGX	-0.13%	(63)	15.29%	4,178
VES	0.00%	-	96.49%	136,466

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

Liquidity risk

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

Financial liabilities

		1 Year	2-5 Year	Over 5 year	Total
March 31, 2022					
Lease liability	Interest free	404,641	71,103	-	475,744
Trade and other payables	Interest free	8,277,457	-	-	8,277,457
Owed to ultimate holding company fellow subsidiaries	Interest free	6,728,428	-	-	6,728,428
March 31, 2021					
Lease liability	Interest free	263,162	278,477	-	541,639
Trade and other payables	Interest free	2,305,177	-	-	2,305,177
Owed to ultimate holding company fellow subsidiaries	Interest free	5,069,367	-	-	5,069,367

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.

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Notes to the Separate Financial Statements (continued)

20 Classification of financial instruments

	Loans and receivables/ (financial liabilities at amortized cost)	Non-financial assets / liabilities	Total
	R	R	R
31 March 2022			
Financial assets			
Cash and cash equivalents	50,059,339	-	50,059,339
Trade and other receivables	375,340	1,452,365	1,827,705
Receivable from fellow subsidiaries	2,065,252	-	2,065,252
Unbilled Receivable	60,346	-	60,346
Finance lease receivable	1,839,235	-	1,839,235
Total	54,399,512	1,452,365	55,851,877
Financial liabilities			
Trade and other payables	8,277,457	-	8,277,457
Owed to parent and fellow subsidiaries	6,728,428	-	6,728,428
Total	15,005,885	-	15,005,885
31 March 2021			
Financial assets			
Cash and cash equivalents	44,988,830	-	44,988,830
Trade and other receivables	1,504,829	332,409	1,837,238
Receivable from fellow subsidiaries	3,112,173	-	3,112,173
Finance lease receivable	2,203,445	-	2,203,445
Total	51,809,277	332,409	52,141,686
Financial liabilities			
Trade and other payables	2,305,177	-	2,305,177
Owed to parent and fellow subsidiaries	5,069,367	-	5,069,367
Total	7,374,544	-	7,374,544

21 Related Parties

Relationships

Ultimate holding company

HCL Technologies Limited

Holding Company

Anzospan Investments Pty Limited

Fellow Subsidiaries

Axon Solutions Limited	HCL Technologies BV
HCL (Brazil) Tecnologia Da Informacao EIRELI	HCL Technologies Chile SpA
HCL (Ireland) Information Systems Limited	HCL Technologies Colombia SAS
HCL (New Zealand) Limited	HCL Technologies Corporate Services Limited
HCL America Inc.	HCL Technologies Czech Republic s.r.o.
HCL Argentina s.a.	HCL Technologies Denmark ApS
HCL Australia Services Pty. Limited	Limited
HCL Axon Solutions (Shanghai) Co., Limited	HCL Technologies Finland Oy
HCL GmbH	HCL Technologies Germany GmbH
HCL Hong Kong SAR Limited	HCL Technologies Italy S.p.A.
HCL Hungary Kft	HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)
HCL Istanbul Bilisim Teknolojileri Limited sirketi	HCL Technologies Mexico S DE RL DE CV
HCL Japan Limited	HCL Technologies Norway AS
HCL Latin America Holding LLC	HCL Technologies Philippines Inc
HCL Poland Sp.z.o.o.	HCL Technologies S.A.
HCL Saudi Arabia LLC	HCL Technologies Sweden AB.
HCL Singapore Pte. Limited	HCL Technologies UK Limited
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	HCL Technologies Vietnam Company Limited
HCL Technologies (Shanghai) Limited	PT. HCL Technologies Indonesia
HCL Technologies (Taiwan) Limited.	Telrx Marketing, Inc.

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Financial Statements for the year ended 31 March 2022

Notes to the Separate Annual Financial Statements (continued)

31 March 2022

Related Party Balances

Particulars	Investments	Equity	Unbilled Receivable	Amount in Rand	
				Trade Receivables	Trade payables
HCL Argentina s.a.	-	-	-	17,365	-
HCL (Brazil) Tecnologia Da Informacao EIRELI	-	-	-	417,189	2,722,760
Anzospa Investments (PTY) Limited	-	266,225,000	-	-	-
HCL Technologies Limited	-	-	60,346	25,210	25,793
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	263,250,000	-	-	-	1,743,814
HCL Technologies Chile SpA	-	-	-	411,326	-
HCL America Inc.	-	-	-	104,262	25,530
HCL Technologies UK Limited	-	-	-	-	43,548
HCL Saudi Arabia LLC	-	-	-	-	12,216
HCL Australia Services Pty. Limited	-	-	-	-	104,080
HCL Technologies Mexico S DE RL DE CV	-	-	-	47,822	235,379
HCL Technologies (Shanghai) Limited	-	-	-	152,232	122,867
HCL Hungary Kft	-	-	-	-	135,323
HCL Istanbul Bilisim Teknolojileri Limited sirketi	-	-	-	-	8,467
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	-	-	-	-	362,216
HCL Latin America Holding LLC	-	-	-	-	179,769
HCL Axon Solutions (Shanghai) Co., Limited	-	-	-	347,620	-
HCL Technologies Denmark ApS	-	-	-	10,627	21,621
HCL Japan Limited	-	-	-	12,897	-
HCL Technologies (Taiwan) Limited.	-	-	-	37,183	713,642
PT. HCL Technologies Indonesia	-	-	-	34,157	-
HCL Technologies Colombia SAS	-	-	-	58,251	-
Telerx Marketing, Inc.	-	-	-	324,707	-
HCL Technologies Sweden AB	-	-	-	27,152	-
HCL Technologies Corporate Services Limited	-	-	-	-	146,175
HCL Technologies Italy S.p.A.	-	-	-	37,252	-
HCL Technologies Vietnam Company Limited	-	-	-	-	125,228
Total	263,250,000	266,225,000	60,346	2,065,252	6,728,428

Related Party Transactions

Particulars	Amount in Rand	
	Income	Consulting Charges - Group
HCL (Ireland) Information Systems Limited	24,590	-
HCL America Inc.	182,901	-
HCL Australia Services Pty. Limited.	-	104,080
HCL Axon Solutions (Shanghai) Co., Limited	31,302	-
HCL Hong Kong SAR Limited	19,011	-
HCL Hungary Kft	-	83,101
HCL Japan Limited.	12,897	-
HCL Latin America Holding LLC	-	149,512
HCL Saudi Arabia LLC	-	10,021
HCL Singapore Pte. Limited.	431,076	184,403
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	18,438	117,644
HCL Technologies (Shanghai) Limited	-	117,538
HCL Technologies (Taiwan) Limited.	37,183	786,797
HCL Technologies BV	-	387,420
HCL Technologies Colombia SAS	58,251	-
HCL Technologies Corporate Services Limited	1,427,536	-
HCL Technologies Denmark ApS	21,067	21,621
HCL Technologies Finland Oy	97,609	-
HCL Technologies Germany GmbH	72,785	-
HCL Technologies Italy S.p.A.	45,492	-
HCL Technologies Limited	104,299	686,641
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	-	263,396
HCL Technologies Mexico S DE RL DE CV	47,822	169,079
HCL Technologies Norway AS	-	18,685
HCL Technologies S.A.	(141,423)	-
HCL Technologies Sweden AB.	27,152	-
HCL Technologies UK Limited	762,652	43,548
HCL Technologies Vietnam Company Limited	-	125,228
PT. HCL Technologies Indonesia	21,272	-
Telerx Marketing, Inc.	1,120,499	-
Total	4,422,411	3,268,714

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Notes to the Separate Annual Financial Statements (continued)

31 March 2021

Related Party Balances

Amount in Rand

Particulars	Investments	Equity	Unbilled Receivable	Trade Receivables	Trade payables
Anzospan Investments (PTY) Limited	-	266,225,000	-	-	100,000
HCL (Brazil) Tecnologia Da Informacao EIRELI	-	-	-	1,095,621	3,394,954
HCL (New Zealand) Limited.	-	-	-	324,104	-
HCL America Inc.	-	-	-	62,716	-
HCL Argentina s.a.	-	-	-	17,365	-
HCL Axon Solutions (Shanghai) Co., Limited	-	-	-	316,318	-
HCL GmbH	-	-	-	218,460	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	-	-	-	-	15,199
HCL Latin America Holding LLC	-	-	-	-	43,656
HCL Saudi Arabia LLC	-	-	-	-	2,059
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	263,250,000	-	-	-	1,273,511
HCL Technologies (Shanghai) Limited	-	-	-	152,232	-
HCL Technologies Chile SpA	-	-	-	459,921	-
HCL Technologies Limited	-	-	53,511	452,527	57,384
HCL Technologies Malaysia SDN BHD (Fy HCL Axon Malaysia SDN BHD)	-	-	-	-	114,224
HCL Technologies Mexico S DE RL DE CV	-	-	-	-	68,380
PT. HCL Technologies Indonesia	-	-	-	12,909	-
Total	263,250,000	266,225,000	53,511	3,112,173	5,069,367

Related Party Transactions

Amount in Rand

Particulars	Income	Consulting Charges - Grp
Axon Solutions Limited	-	(1,666)
HCL (New Zealand) Limited.	324,104	
HCL Argentina	17,365	
HCL Australia Services Pty. Limited.	72,349	
HCL Axon Solutions (Shanghai) Co., Limited	112,613	
HCL GmbH	218,460	
HCL Hungary	-	103,538
HCL Istanbul Bilisim Teknolojileri Limited sirketi	-	375,485
HCL Latin America Holding LLC	-	43,656
HCL Technologies Mexico S DE RL DE CV	-	341,313
HCL Poland Sp.z.o.o.	-	276,096
HCL Singapore Pte. Limited.	15,557	131,849
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	53,885	1,465,848
HCL Technologies (Taiwan) Limited.	-	29,540
HCL Technologies Chile SpA	29,355	
HCL Technologies Czech Republic s.r.o.	12,435	
HCL Technologies Denmark ApS	12,944	
HCL Technologies Egypt Limited	17,754	
HCL Technologies Limited	281,467	580,295
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	-	219,643
HCL Technologies Norway AS	13,494	
HCL Technologies Philippines Inc	-	32,513
HCL Technologies UK Limited	742,054	34,112
PT. HCL Technologies Indonesia	9,139	164,701
Total	1,932,975	3,796,923

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Notes to the Separate Financial Statements (continued)

22 Capital management	31 March 2022	31 March 2021
	R	R
Share Capital Class A	136,890,000	136,890,000
Share Capital Class B (2019: ordinary shares)	129,335,000	129,335,000
Accumulated Profit	43,570,896	41,697,550
	309,795,896	307,922,550

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

23 Finance Leases

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

31 March 2022

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2022-23	947,252	929,563	17,689
2023-24	395,040	384,363	10,677
2024-25	278,659	272,106	6,553
2025-26	129,123	125,400	3,723
2026-27	129,123	127,803	1,320
Total	1,879,197	1,839,235	39,962

31 March 2021

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2021-22	1,284,121	1,220,242	63,879
2022-23	934,425	912,055	22,370
2023-24	71,697	71,148	549
Total	2,290,244	2,203,445	86,799

24 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.

25 Subsequent event

Other than the matter mentioned below, there have been no significant subsequent events since the year ended 31 March'22 that would have material impact on the separate 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.

26 Going Concern

The company earned a profit for the period ended 31 March 2022 of R 43,873,346 (31 March 2021 – R 1,702,836) and as at that date its total assets exceeded its total liabilities by R 309,795,896 (31 March 2021 – R 307,922,550). In addition, current assets exceed current liabilities by R 45,707,327 (31 March 2021 – R 43,832,932). 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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