Anzospan Investments Pty Limited and its subsidiaries

Audited Consolidated Annual Financial Statements
as at 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investments in company engaged in software development and related maintenance services
Directors	Goutam Rungta Anil Kumar Chanana Raghu Raman Lakshmanan Sundaram Sridharan
Registered office	GMI House Harlequins Office Park 164 Totius Street Groenkloof Pretoria 0027
Business address	A1, The Crescent East, No.3, Eglin Road, Sunninghill, 2157
Postal address	P O BOX 619 PRETORIA 0001
Holding company	Axon Group Limited Incorporated in UK
Bankers	Standard Chartered Bank
Auditors	Ernst & Young Inc. Chartered Accountants (S.A.) Registered Auditors
Company registration number	2011/006085/07
Preparer of financial statements	**Deepak Gupta** Associate Chartered Accountant (India)

General Information (Continued)

Contents

Pages

Approval of Consolidated Annual Financial Statements

The consolidated annual financial statements set out on pages 9 to 44 were approved by the board of directors on 23/06/2018.

Sundaram Sridharan Lakshmanan
Director

Raghu Raman
Director

Building a better working world

Ernst & Young Incorporated
Spitskop Building
86 Kellner Street, Westdene
PO Box 3385
Bloemfontein 9300

Tel: +27 (0) 51 406 3500
Fax: +27 (0) 51 406 3505
66 Bloemfontein
ey.com

Co. Reg. No. 2005/002308/21

Independent Auditor's Report

To the Shareholders Anzospan Investments Pty Limited and its subsidiaries.

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of *Anzospan Investments Pty Limited and its subsidiaries* set out on pages 9 to 44, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of *Anzospan Investments Pty Limited and its subsidiaries* as at 31 March 2018, 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 consolidated 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),* the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (IESBA code)* and other independence requirements applicable to performing the audit of *Anzospan Investments Pty Limited and its subsidiaries*. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of *Anzospan Investments Pty Limited and its subsidiaries*. 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 Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Ernst & Young Inc

Ernst & Young Inc.
Partner - Donovan van Straaten
Registered Auditor
Chartered Accountant (SA)
10 July 2018

Directors' Report of Anzospan Investments Pty Limited and its subsidiaries

1. Directors' Responsibilities

The directors are required by the Companies Act of South Africa, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group 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 Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 upon for the preparation of the consolidated 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 group's cash flow forecast for the year ended on 31 March 2019 and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

Directors' Report (continued)

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

The external auditors are responsible for independently reviewing and reporting on the consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on page 3, 4 and 5.

2. Incorporation

The company was registered on 15 March 2011 under the name Anzospan Investments Pty Ltd, certificate to commence business was received on the same day.

3. Business and operations

The company invests in entities engaged in software development and related maintenance services.

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

4. Review of operations

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

Net profit of the group was R 72,341,628 (2016: R 92,550,532)
Net profit (loss) of the company was R 79,703,036 (2016: R (-) 364,437)

5. Share capital

Authorised share capital of the Company is 40,000,000 (Forty million) ordinary no par value shares. Total issued and fully subscribed capital of the company is 16,049,999 no par value shares amounting for R 89,999,999.

6. Directors

Particulars of the present directors are given on page 1.

7. Holding company

The Company's Holding Company is Axon Group Limited, incorporated in the UK.

8. Going concern

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

Directors' Report (continued)

9. Dividends

Dividends of R 56,017,705 paid during the year to the shareholders.

10. Auditors

Ernst & Young Inc. will continue in office in accordance with section 90 of the Companies Act, 71 of 2008.

Statement of Comprehensive Income

	Note	Group March 2018 R	Group March 2017 R
Revenue	2	787,722,524	803,601,853
Operating expenses	3	(698,579,726)	(689,370,596)
		89,142,798	114,231,257
Other (expenses) / income	4	18,510,013	16,767,659
Operating profit		107,652,811	130,998,916
Finance cost	5	(1,143,821)	(2,085,446)
Profit for the year		106,508,990	128,913,470
Income tax	6	(34,167,362)	(36,362,938)
Total comprehensive profit for the year		72,341,628	92,550,532

	Note	Company March 2018 R	Company March 2017 R
Dividend Income		80,040,000	-
Operating expenses	7	(241,156)	(269,161)
Operating Profit		79,798,844	(269,161)
Finance Expenses	8	(95,808)	(95,276)
Profit / (loss) for the year		79,703,036	(364,437)
Total comprehensive profit / (loss) for the year		79,703,036	(364,437)

Statement of Financial Position as at 31 March 2018

	Notes	Group Mar'18 R	Group Mar'17 R
Assets			
Non current Assets			
Property , plant and equipment	9	19,751,452	23,731,355
Intangible assets	10	2,468,351	4,540,427
Goodwill		118,714,119	118,714,119
Deferred Cost-non current		623,180	2,213,246
Deferred tax assets (Net)	11	2,013,100	-
Finance lease receivables -Non Current	30	25,663,356	105,672,618
Other receivable		3,747,291	1,894,148
		172,980,849	**256,765,913**
Current Assets			
Trade receivables	12	133,392,565	107,722,735
Other receivables	12	21,334,019	12,201,669
Receivable from fellow subsidiaries		11,474,061	13,995,847
Inventory	13	1,386,028	1,679,965
Cash and cash equivalents	14	481,040,956	276,228,577
Unbilled revenue		28,699,587	46,083,823
Deferred Cost-current	15	9,591,708	10,705,259
Finance lease receivables -Current	30	50,770,887	50,969,012
Unbilled revenue from ultimate holding company and fellow subsidiaries		-	184,964
		737,689,811	**519,771,851**
Total Assets		**910,670,660**	**776,537,764**
Equity and Liabilities			
Equity			
Share capital	16	62,003,184	62,003,184
Retained Income		534,767,052	518,443,129
		596,770,236	**580,446,313**
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities (Net)	11	-	10,206,378
Deferred revenue		4,342,000	-
		4,342,000	**10,206,378**
Current Liabilities			
Short term loans	17	8,314,450	21,328,000
Owed to ultimate holding company and fellow subsidiaries	18	232,514,595	93,479,262
Trade and other payables	19	54,480,906	55,392,743
Current tax payable		3,999,876	1,249,054
Provisions	20	10,248,597	14,436,014
		309,558,424	**185,885,073**
Total Equity and Liabilities		**910,670,660**	**776,537,764**

Statement of Financial Position as at 31 March 2018

	Notes	Company March 2018 R	Company March 2017 R
Assets			
Investments	21	89,975,000	89,975,000
Current Assets			
Due from Group Companies		100,000	-
Cash and cash equivalents		4,660,980	160,428
Total Assets		94,735,980	90,135,428
Equity and Liabilities			
Equity			
Share capital	22	89,999,999	89,999,999
Accumulated loss		(1,249,581)	(927,322)
		88,750,418	89,072,677
Current Liabilities			
Loan from Group Company		5,952,320	1,059,917
Trade and other payables		33,242	2,834
		5,985,562	1,062,751
Total Equity and Liabilities		94,735,980	90,135,428

Statement of changes in equity

Group	Share Capital	Accumulated Profit / (Loss)	Total
	R	R	R
Mar'2017			
Opening Balance as on 01 April 2016	62,003,184	425,892,597	487,895,781
Total comprehensive Income	-	92,550,532	92,550,532
Balance at 31 March 2017	**62,003,184**	**518,443,129**	**580,446,313**
Mar'2018			
Opening Balance as on 01 April 2017	62,003,184	518,443,129	580,446,313
Total comprehensive Income	-	72,341,628	72,341,628
Dividend Paid	-	(56,017,705)	(56,017,705)
Balance at 31 March 2018	**62,003,184**	**534,767,052**	**596,770,236**

Note-1- Company has paid interim divided for the year 2017-18 at the rate of ZAR 4.984 per equity share of face value ZAR 1 each.

Statement of changes in equity

Company	Share Capital	Accumulated Profit / (Loss)	Total
	R	R	R
Mar'2017			
Opening Balance as on 01 April 2016	89,999,999	(562,885)	89,437,114
Total comprehensive loss	-	(364,437)	(364,437)
Balance at 31 March 2017	**89,999,999**	**(927,322)**	**89,072,677**
Mar'2018			
Opening Balance as on 01 April 2017	89,999,999	(927,322)	89,072,677
Total comprehensive profit	-	79,703,036	79,703,036
Dividend Paid	-	(80,025,295)	(80,025,295)
Balance at 31 March 2018	**89,999,999**	**(1,249,581)**	**88,750,418**

Note-1- Company has paid interim divided for the year 2017-18 at the rate of ZAR 4.984 per equity share of face value ZAR 1 each.

Statement of cash flows

		Group March 2018	Group March 2017
		R	R
Cash flows from operating activities			
Profit before tax		106,508,990	128,913,470
Adjusted for :			
Depreciation and amortization		8,867,958	6,957,951
Interest income		(21,097,938)	(11,063,657)
Profit on sale of fixed assets		-	(3,864)
Interest expenses		900,755	1,736,010
Cash inflows before working capital changes		**95,179,765**	**126,539,910**
Movement in working capital changes			
Decrease/(Increase) in trade and other receivables		(16,270,400)	159,474,460
Decrease/(Increase) in Deferred Cost-current		1,113,551	27,490,126
Decrease/(Increase) in Finance lease receivables -Current		198,124	13,486,582
(Decrease)/Increase in current liabilities		133,046,377	(111,931,009)
(Decrease)/Increase in deferred revenue		4,342,000	-
Cash generated from operations		**217,609,417**	**215,060,069**
Income tax paid		(42,649,723)	(29,951,092)
Net cash inflow from operating activities		**174,959,694**	**185,108,977**
Cash flows from investing activities			
Purchase of fixed assets		(4,313,674)	(24,871,778)
Sale of Fixed Assets		1,497,697	201,460
Interest income		20,111,643	11,063,657
Deferred Cost-non current		1,590,066	3,360,522
Finance lease receivables -Non Current		80,009,261	14,652,783
Net cash inflow from investing activites		**98,894,993**	**4,406,644**
Cash flows from financing activities			
Loan taken / (repayment)		(13,013,550)	(13,952,685)
Dividend Paid		(56,017,705)	-
Interest paid		(11,053)	(322,284)
Net cash outflow from financing activites		**(69,042,308)**	**(14,274,969)**
Net Increase in cash and cash equivalents		204,812,379	175,240,652
Cash and cash equivalents at the beginning of the year		276,228,577	100,987,925
Cash and cash equivalents at the end of the year	14	**481,040,956**	**276,228,577**

Statement of cash flows

	Company March 2018	Company March 2017
	R	R
Cash flows from operating activities		
Profit / (Loss) after tax	79,703,036	(364,437)
Decrease/(Increase) in trade payables	30,408	(11,937)
Decrease/(Increase) in trade receivables	(100,000)	-
Interest expense	90,000	88,520
Dividend Income	(80,040,000)	-
Net cash used in operating activities	**(316,556)**	**(287,854)**
Cash flows from investing activities		
Dividend Income	80,040,000	-
Net cash inflow from investing activites	**80,040,000**	**-**
Cash flows from financing activities		
Loan from group company	4,802,403	500,000
Dividend Paid	(80,025,295)	
Interest paid	-	(54,863)
Net cash inflow / (outflow) from financing activites	**(75,222,892)**	**445,137**
Total cash movement for the year		
Cash at the beginning of the year	**4,500,552**	**157,283**
Cash and cash equivalents at the end of the year	160,428	3,145
	4,660,980	**160,428**

Accounting policies

1 Summary of significant accounting policies

1.1 Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards and the Companies Act, of South Africa. The consolidated annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The company uses the ZAR as its reporting currency.

1.2 Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities which are controlled by the group. Control exists when the company has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of the subsidiaries are included in the consolidated annual financial statements of subsidiaries from the effective date of acquisition.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Accounting policies of subsidiaries conform to the policies adopted by the group.

Investments in the subsidiaries are accounted for at cost in the company accounts. The carrying amounts of these investments are reviewed annually and written down for impairment where considered necessary.

1.3 Property, 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 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. During the year the company has revised expected useful lives are as under:

Plant and machinery	10 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fittings	7 years
Computer Software	3 years

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gains or losses on derecognition of the

Accounting policies (Continued)

1.3 Property, plant and equipment (Continued)

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.

1.4 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, using the liability method, 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 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.

1.5 Leases

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.

Accounting policies (Continued)

1.5 Leases (Continued)

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

Company as lessee

All leases are operating leases and the relevant rentals are charged to income in a systematic manner related to the period of use of the asset concerned.

Company as lessor

Leases where 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 recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. 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.

1.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is 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.

Intangible assets with finite lives are amortised over their useful economic lives 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 policies (continued)

1.6 Intangible assets (continued)

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 group.

Category	Finite lives
Customer Relationship	10 years
Order Backlog	3 years
Intellectual Property	5 years
Software Application	3 years

1.7 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 an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity. Transactions costs directly attributable to the acquisition forms part of the acquisition costs.

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 Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Accounting policies (continued)

1.8 Financial instruments

Recognition
Financial assets and financial liabilities are initially recognised on the Statement of Financial Position when the enterprise becomes party to the contractual provisions of the instrument. Recognition is based on the trade date.

Measurement
Financial instruments are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Cash and cash equivalents
Cash and cash equivalents are measured at amortised cost after initial recognition. Gains and losses are recognised in profit or loss when the cash and bank balances are derecognised or impaired as well as through the amortisation process. Cash and cash equivalents comprise cash in bank, cash on short notice and money in transit.

Trade and other receivables
Trade and other receivables are, after initial recognition, measured at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in profit or loss when the trade and other receivables are derecognised or impaired as well as through the amortisation process.

Interest bearing loans and borrowings
Interest bearing loans and borrowings are classified as financial liabilities held for trading and are carried at amortised cost after initial recognition using the effective interest rate method, being original debt value less principal repayments and amortisation. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised, as well as through the amortisation process.

Intercompany loans and balances
Intercompany loans and intercompany balances are measured at amortised cost after initial recognition using the effective interest rate method. Gains and losses are recognised in profit or loss when the intercompany loans and intercompany balances are derecognised or impaired, as well as through the amortisation process.

Trade and other payables
Trade and other payables are classified as financial liabilities originated by the enterprise and are carried at amortised cost after initial recognition using the effective interest rate method. Gains and losses are recognised in profit or loss when the trade and other payables are derecognised or impaired, as well as through the amortisation process.

Accounting policies (continued)

1.8 Financial instruments (Continued)

Derecognition

a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third part under a 'pass-through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the group's continuing involvement is the amount of the transferred asset that the group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment

There is an assessment at each balance sheet date whether a financial asset or group of financial assets is impaired.

Accounting policies (continued)

1.8 Financial instruments (Continued)

i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

ii) Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

iii) Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the Statement of Comprehensive Income. Reversals in respect of equity instruments classified as available-for sale are not recognised in profit. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Accounting policies (continued)

1.9 Provisions

Provisions are recognised when there is 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 estimated liability is recognised 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.

1.10 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.

1.11 Revenue recognition

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts and fixed time frame contracts is recognised in accordance with the percentage completion method under which the sales value of performance, including earnings thereon, is recognised on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses are made during the year in which a loss becomes probable based on current contract estimates. Revenue from sale of licenses for the use of software applications is recognised on transfer of title in the user license. Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognised when the right to receive is established. Other revenues earned by the group are recognised on the following basis:

Interest income: as it accrues unless collectability is in doubt

Revenue from sale of goods is recognised when the significant risks and rewards of the ownership of the goods have been passed to the buyer, usually on delivery of goods.

Accounting policies (continued)

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.13 Retirement benefits

The group's contribution to the defined contribution plan is charged to the Statement of Comprehensive Income in the year to which it relates.

1.14 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.

1.15 Impairment

The group 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 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

Accounting policies (continued)

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.

There is an assessment at each reporting date to determine 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

1.16 Impairment (Continued)

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 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, an estimate of recoverable amount is made. 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:

Accounting policies (continued)

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.

1.17 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.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. Where the contingent consideration meets the definition of a derivative and thus financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

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.

Accounting policies (continued)

1.18 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 recognised. Trade discounts, settlement discounts and other similar items are deducted in determining the costs of purchase. Cost of sales is recognised as an expense when the risks and rewards of ownership related to the sale of merchandise pass to the customer.

1.19 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.

1.20 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.

1.21 Deferred contract costs

Contract costs incurred during the Knowledge Transfer face 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 scontract.

1.22 New Standards and Interpretations

Standards and interpretations effective and adopted in the current financial year In the current financial year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Accounting policies (continued)

Standard/ Interpretation: Effective date: years beginning on or after

Amendments to IAS 7: Disclosure initiative (effective 01 January 2017)

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective 01 January 2017)

Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's future accounting periods.

Standard/ Interpretation: Effective date: years beginning on or after

IFRS 16 Leases (effective 01 January 2019)

On January 13, 2016, the international accounting standards board issue the final version of IFRS 16 Leases. IFRS 16 will replace the existing leases standard, IAS 17 Leases, and related interpretations. The standard sets out the principal for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The impact of this standard on the financial statements will be evaluated.

IFRS 9 Financial Instruments (effective 01 January 2018)

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39.

IFRS 15 Revenue from contracts with customers (effective 01 January 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition standard IAS 18 Revenue, IAS 11 Construction Contracts. The effective date for adoption of IFRS

Accounting policies (continued)

15 is financial periods beginning on or after 1 January 2018.The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements.

IFRIC 22: Foreign Currency Transactions and Advance consideration (effective 01 January 2018)

On December 8, 2016, the International Accounting Standard Board issued IFRIC 22 which clarifies the accounting of transactions that include the receipt of payment of advance consideration in a foreign currency. The interpretation explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance a date of transaction is established for each payment or receipt. The Company is evaluating the impact, if any, of IFRIC 22 on its financial statements.

IFRIC 23: Uncertainty Over income tax treatments (effective 01 January 2019)

On June 7, 2017, the International Accounting Standards Board issued IFRIC 23 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss) , tax bases, unused tax losses, unused tax credits, and tax rates would depend upon the probability.

The Company is currently evaluating the impact that the adoption of these new standard will have on its financial statements. The Company will implement the IFRS which are effective on or after 01 January 2018, in its financial year starting 01 April 2018.

The Company will implement the IFRS which are effective on or after 01 January 2019, in its financial year starting 01 April 2019.

Notes to the Consolidated Annual Financial Statements

	Group March 2018 R	Group March 2017 R
2 Revenue		
Total revenue comprise:		
Service Income		
Sale of goods*	747,140,903	763,368,322
Sale under capital lease	27,501,952	28,958,031
Sale income on leased assets	4,890,187	221,109
	8,189,482	11,054,391
	787,722,524	803,601,853
*Sale of goods comprises of sale of IT hardware items to customers		
3 Operating Expenses		
Depreciation on plant and equipment	6,425,541	4,857,631
Amortization of intangibles assets	2,442,417	2,100,320
Operating lease expenses	1,782,609	2,018,939
Auditor's remuneration	291,304	250,565
Consulting charges	358,468,875	328,341,880
Cost of good sold	27,518,988	25,011,915
Other Cost	149,892,621	150,182,459
Employee benefits		
Salaries	150,889,081	175,828,868
Bonus	-	(206,375)
Pension costs- defined contribution plan	868,290	984,394
	698,579,726	689,370,596
4 Other (expenses) / income		
Operating cost innclude:		
Profit on sale of Fixed Assets	-	3,864
Exchange Gain	(2,587,925)	5,700,138
Interest income on income tax refund	986,295	-
Interest income	20,111,643	11,063,657
	18,510,013	16,767,659
5 Finance expense		
Interest paid		
Interest on short term loan	900,755	1,736,010
Cash credit from bank	4,918	-
Bank charges	238,148	349,436
	1,143,821	2,085,446
6 Taxation		
Current tax	46,386,836	41,964,923
Deferred tax	(12,219,474)	(5,601,985)
	34,167,362	36,362,938
Accounting profit before income tax	106,508,990	128,913,470
Statutory income tax rate of 28% (2017: 28%)	29,822,517	36,568,088
Taxes paid on dividend	4,801,518	
Adjustments in respect of current income tax of previous years	(238,506)	(591,577)
Non-deductible expenses for tax purposes	57,998	386,427
Tax on interest income for tax purposes:	(276,165)	-
At the effects income tax rate	34,167,362	36,362,938
Income tax expenses reported in the statement of profit or loss	34,167,362	36,362,938

	Company March 2018 R	Company March 2017 R
7 Operating Expenses		
Professional Charges	241,156	269,161
	241,156	269,161
8 Finance costs		
Bank Charges	95,808	95,276
	95,808	95,276

Notes to the Consolidated Annual Financial Statements (continued)

9 Property, plant and equipment (Group)

	Computer equipment (R)	Plant & Machinery (R)	Office equipment (R)	Furniture & fittings (R)	Under construction (R)	Total (R)
Cost						
At March 31, 2016	6,864,314	221,400	795,595	1,775,917	297,915	9,955,141
Additions	23,427,072	-	-	-	1,485,209	24,912,281
Retirement	(2,182,214)	-	(27,567)	-	(20,349)	(2,230,130)
At March 31, 2017	28,109,172	221,400	768,028	1,775,917	1,762,775	32,637,292
Additions	3,943,335	-	-	-	-	3,943,335
Retirement	(2,786,238)	-	(36,231)	-	(1,497,697)	(4,320,166)
At March 31, 2018	29,266,269	221,400	731,797	1,775,917	265,078	32,260,461
Accumulated depreciation						
At March 31, 2016	4,614,329	20,138	633,989	989,631	-	6,258,087
Depreciation charge for the year	4,551,966	22,140	84,276	199,249	-	4,857,631
Retirement	(2,182,214)	-	(27,567)	-	-	(2,209,781)
At March 31, 2017	6,984,081	42,278	690,698	1,188,880	-	8,905,937
Depreciation charge for the year	6,138,112	22,140	66,043	199,246	-	6,425,541
Retirement	(2,786,238)	-	(36,231)	-	-	(2,822,469)
At March 31, 2018	10,335,955	64,418	720,510	1,388,126	-	12,509,009
Net book value						
At March 31, 2018	18,930,314	156,982	11,287	387,791	265,078	19,751,452
At March 31, 2017	21,125,091	179,122	77,330	587,037	1,762,775	23,731,355

The gross carrying amount of fully depreciated property plant & equipment that is still in use as at 31 March 2018 is ZAR 3,217,638

10 Intangible Assets (Group)

	Customer relationship (R)	Customer relationship (R)	Intellectual property (R)	Software-Application (R)	Total (R)
At March 31, 2016	771,028	17,375,385	2,500,000	2,228,463	22,874,876
Additions	-	-	-	177,442	177,442
Retirement (Disposal)	-	-	-	(1,144,015)	(1,144,015)
At March 31, 2017	771,028	17,375,385	2,500,000	1,261,890	21,908,303
Additions	-	-	-	370,340	370,340
Retirement (Disposal)	-	-	-	-	-
At March 31, 2018	771,028	17,375,385	2,500,000	1,632,230	22,278,643
Accumulated Amortisation					
At March 31, 2016	(771,028)	(12,125,256)	(1,958,335)	(1,359,356)	(16,213,975)
Amortisation charge for the year	-	(1,195,873)	(541,665)	(362,781)	(2,100,319)
Amortisation reversal on assets	-	-	-	946,419	946,419
At March 31, 2017	(771,028)	(13,321,129)	(2,500,000)	(775,718)	(17,367,875)
Amortisation charge for the year	-	(1,737,538)	-	(704,879)	(2,442,417)
Amortisation reversal on assets	-	-	-	-	-
At March 31, 2018	(771,028)	(15,058,667)	(2,500,000)	(1,480,597)	(19,810,292)
Net Book Value					
At March 31, 2018	-	2,316,718	-	151,633	2,468,351
At March 31, 2017	-	4,054,255	-	486,173	4,540,427
Remaining Amortisation Period		1 Year		2 Years	

Notes to the Consolidated Annual Financial Statements (continued)

	Group March 2018 R	Group March 2017 R
11 Deferred taxation		
Deferred tax liabilities	(4,787,620)	(19,060,176)
Deferred tax assets	6,800,720	8,853,798
	2,013,100	(10,206,378)
The balance of deferred tax is made up as follows :		
Deferred tax liability:		
Intangible assets	(648,681)	(1,135,192)
Leases	(3,708,545)	(17,924,984)
Deferred tax assets:		
Bonus provision	1,234,478	2,431,326
Deferred revenue	3,157,271	1,019,655
Leave pay provision	752,464	885,131
Bad debts Provision	1,540,622	4,395,000
Provision for Doubtful Debts	-	6,799
Net Prepayment	(430,396)	-
Other Current assets	115,887	115,887
	2,013,100	(10,206,378)
12 Trade receivables		
Trade receivables	140,728,861	128,683,684
Less: Provision for doubtful debt	(7,336,296)	(20,960,949)
	133,392,565	107,722,735
Other Receivables		
Sundry receivables and deposit	21,747,900	12,615,550
Less: Provision for other current assets	(413,881)	(413,881)
	21,334,019	12,201,669

Trade receivables are generally non - interest bearing and are generally on 30 day terms. As at March 31, 2018 the ageing analysis of trade receivables is as follows:

Total	Neither past due nor impaired (up to 30 days)	Past due		
		31-60	61-180	180>
133,392,565	91,798,285	27,100,509	14,928,389	(434,618)

13 Inventory		
Inventory in hand	1,386,028	1,679,965
	1,386,028	1,679,965

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 requiment will be received.

14 Cash and cash equivalents		
Cash at Bank	115,040,956	47,228,577
Term Deposit	366,000,000	229,000,000
	481,040,956	276,228,577

There is an undrawn borrowing facility of ZAR 25,000,000 which is available for future operation activities and settling capial commitments. There is no restriction on use of this facility

15 Deferred Cost		
Deferred Cost-Group	8,872,830	8,444,785
Deferred Cost- Non Group	718,878	2,260,474
	9,591,708	10,705,259
16 Share capital		
Authorised capital		
40,000,000 (2017 : 40,000,000) ordinary no par value shares.	62,003,184	62,003,184
Issued		
40,000,000 (2017: 40,000,000) ordinary no par value shares.	62,003,184	62,003,184
17 Short Term Loans		
Loan From fellow subsidiaries	8,314,450	21,328,000
	8,314,450	21,328,000

Axon Solutions Limited
The loan bears interest at LIBOR+200 Basis Point per annum and is payable on demand.

Notes to the Consolidated Annual Financial Statements (continued)

	Group March 2018 R	Group March 2017 R
18 Owed to ultimate holding & fellow subsidaries		
Interest	4,444,846	3,555,144
Accrued expenses	8,872,834	7,396,180
Payables	219,196,915	82,527,938
	232,514,595	93,479,262
19 Trade and other payables		
Trade payables	16,271,071	16,721,446
Customer discount	-	32,133
Accruals	3,397,842	6,312,144
VAT Payable	11,267,615	10,966,779
Other payables	15,549,894	17,966,948
Deferred Revenue	7,994,484	3,393,293
	54,480,906	55,392,743

a) Trade payables are non interest bearing and are normally settled on 60-day terms.
b) VAT liability is paid within a period of one month from date of recognition.

20 Provisions		
Bonus	4,408,849	8,683,308
Leave encashment	2,687,371	3,161,182
Provision for LD/SLA Violation	3,152,377	2,591,524
	10,248,597	14,436,014

Movement of provisions	Leave encashment	Bonus	LD/SLA Violation	Total
Opening	3,161,182	8,683,308	2,591,524	14,436,014
Charge during the year	1,648,025	4,387,778	560,853	6,596,656
Payout during the year	(2,121,836)	(8,662,237)	-	(10,784,073)
Closing Balance	2,687,371	4,408,849	3,152,377	10,248,597

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. The bonuses are expected to be settled within 1 year.

	Company March 2018 R	Company March 2017 R
21 Investment in subsidiaries		
Share at cost		
100% interest in issued share capital of HCL Axon Pty Limited	87,000,000	87,000,000
100% interest in issued share capital of HCL South Africa Pty Limited	2,975,000	2,975,000
	89,975,000	89,975,000
22 Share Capital		
Authorised capital		
40,000,000 ordinary no par value shares	89,999,999	89,999,999
Issued		
16,049,999 ordinary no par value shares	89,999,999	89,999,999

There was no movement of authorized capital during the year.

23 Commitments

a) Operating lease commitments

The group has entered into operating leases consisting of land and buildings. These leases are non-cancellable and have remaining lease terms of between 1 and 5 years. Certain leases include a clause for renewal, and a clause to enable upward revision of the rental charges on an annual basis based on prevailing market conditions.

The future minimum lease payments under non-cancellable operating lease are as follows:

	March 2018 R	March 2017 R
Not later than One Year	809,775	1,179,696
Later than one year but not later than five years	1,126,819	1,651,089
	1,936,594	2,830,785

b) Capital commitments
There are capital commitments at the balance sheet date 31 March 2018 ZAR 112,824 (2017 ZAR 642,009).

Notes to the Consolidated Annual Financial Statements (continued)

24 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. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term debt with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on deposits, loans and borrowings. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings as follows;

Group

Increase / decrease in basis points	Effect on profit before tax	
	March 2018	March 2017
100	83,145	213,280
-100	-83,145	-213,280

Company

Increase / decrease in basis points	Effect on profit before tax	
	March 2018	March 2017
100	10,000	10,000
-100	-10,000	-10,000

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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 limits 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 12 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 12 (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.

Notes to the Consolidated Annual Financial Statements (continued)

24 Financial instrument risk management (Continued)

	Mar 2018 Change in rate	Effect on profit before tax R	Mar 2017 Change in rate	Effect on profit before tax R
EUR	2.16%	(22,365)	-15.00%	2,145
GBP	-0.16%	66,145	-22.00%	2,565,026
INR	100.00%	(34,009)	8.00%	(552)
MYR	1.42%	(3,137)	-20.00%	(3,909)
USD	-11.47%	(5,415,570)	-9.00%	(2,700,175)
TRY	100.00%	(15,755)	- -	
CNY	-2.84%	38,827	-15.00%	15,246
PLN	100.00%	(542,134)	- -	
BRL	-15.65%	122,777	4.00%	34,282
CLP	2.78%	(1,060)	9.00%	(5,555)
NOK	-	-	-12.00%	60,647
SEK	-5.20%	553	-18.00%	17,479
AED	0.00%	-	-9.00%	2,396
ARS	-32.18%	234,607	3.00%	(8,434)
AUD	-	-	-10.00%	13,042
SAR	-11.45%	32,340	2.00%	(5,333)
VEF	100.00%	141,423	- -	
EUR	-2.16%	22,365	15.00%	(2,145)
GBP	0.16%	(66,145)	22.00%	(2,565,026)
INR	-100.00%	34,009	-8.00%	552
MYR	-1.42%	3,137	20.00%	3,909
USD	11.47%	5,415,570	9.00%	2,700,175
TRY	-100.00%	15,755	- -	
CNY	2.84%	(38,827)	15.00%	(15,246)
PLN	-100.00%	542,134	- -	
BRL	15.65%	(122,777)	-4.00%	(34,282)
CLP	-2.78%	1,060	-9.00%	5,555
NOK	-	-	12.00%	(60,647)
SEK	5.20%	(553)	18.00%	(17,479)
AED	-	-	9.00%	(2,396)
ARS	32.18%	(234,607)	-3.00%	8,434
AUD	-	-	10.00%	(13,042)
SAR	11.45%	(32,340)	-2.00%	5,333
VEF	-100.00%	(141,423)	- -	

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

Liquidity risk

The group 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.

Notes to the Consolidated Annual Financial Statements (continued)

24 Financial instrument risk management (Continued)

Liabilities

		1 Year	2-5 Year	Over 5 year	Total
March 31, 2018					
Loan from subsidiaries	2.5% & 9% p.a.	8,314,450	-	-	8,314,450
Owed to ultimate holding company and fellow subsidiaries	Interest free	232,514,595	-	-	232,514,595
Trade and other payables	Interest free	46,486,422	-	-	46,486,422
Current tax payable	Interest free	3,999,876	-	-	3,999,876
Provisions	Interest free	10,248,597	-	-	10,248,597
March 31, 2017					
Loan from subsidiaries	2.5% & 9% p.a.	21,328,000	-	-	21,328,000
Owed to ultimate holding company and fellow subsidiaries	Interest free	93,479,262	-	-	93,479,262
Trade and other payables	Interest free	51,999,450	-	-	51,999,450
Current tax payable	Interest free	1,249,054	-	-	1,249,054
Provisions	Interest free	14,436,014	-	-	14,436,014
Company					
March 31, 2018					
Loan from subsidiaries	2.5% & 9% p.a.	5,952,320	-	-	5,952,320
Trade and other payables	Interest free	33,242	-	-	33,242
March 31, 2017					
Loan from subsidiaries	2.5% & 9% p.a.	1,059,917	-	-	1,059,917
Trade and other payables	Interest free	2,834	-	-	2,834

Fair value

At March 31st 2018, 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 Consolidated Annual Financial Statements (continued)

25 Classification of financial instruments

Group

Mar 2018

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Trade and other receivables	133,392,565	25,081,310	158,473,875
Receivable from ultimate holding company, parent and fellow subsidiaries	11,474,061	-	11,474,061
Cash and cash equivalents	481,040,956	-	481,040,956
Unbilled receivable	28,699,587	-	28,699,587
Finance Lease Receivable	76,434,243	-	76,434,243
Deferred cost	-	10,214,888	10,214,888
Total	**731,041,412**	**35,296,198**	**766,337,610**
Liabilities			
Loan from fellow Subsidiary and parent company	8,314,450	-	8,314,450
Owed to ultimate holding company, parent and fellow subsidiaries	232,514,595	-	232,514,595
Trade and other payables	35,218,807	11,267,615	46,486,422
Deferred revenue	-	12,336,484	12,336,484
Total	**276,047,852**	**23,604,099**	**299,651,951**

Mar 2017

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Trade and other receivables	107,722,735	14,095,817	121,818,552
Receivable from ultimate holding company, parent and fellow subsidiaries	13,995,847	-	13,995,847
Cash and cash equivalents	276,228,577	-	276,228,577
Unbilled receivable	46,268,787	-	46,268,787
Finance Lease Receivable	156,641,629	-	156,641,629
Deferred cost	-	12,918,505	12,918,505
Total	**600,857,575**	**27,014,322**	**627,871,897**
Liabilities			
Loan from fellow Subsidiary and parent company	21,328,000	-	21,328,000
Owed to ultimate holding company, parent and fellow subsidiaries	93,479,262	-	93,479,262
Trade and other payables	41,032,671	10,966,779	51,999,450
Deferred revenue	-	3,393,293	3,393,293
Total	**155,839,933**	**14,360,072**	**170,200,005**

Company

Mar 2018

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Cash and cash equivalents	4,660,980	-	4,660,980
Total	**4,660,980**	**-**	**4,660,980**
Liabilities			
Loan from fellow Subsidiary and parent company	(5,952,320)	-	(5,952,320)
Trade and other payables	(33,242)	-	(33,242)
Total	**(5,985,562)**	**-**	**(5,985,562)**

Mar 2017

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Cash and cash equivalents	160,428	-	160,428
	160,428	**-**	**160,428**
Liabilities			
Loan from fellow Subsidiary and parent company	(1,059,917)	-	(1,059,917)
Trade and other payables	(2,834)	-	(2,834)
Total	**(1,062,751)**	**-**	**(1,062,751)**

Notes to the Consolidated Annual Financial Statements (continued)

26 Related party transactions

a) Related parties where control exists

Holding company

Axon Malaysia SDN BHD till 27th of February 2013
Axon Group Limited from 28th February 2013 onwards

Ultimate holding company

HCL Technologies Limited

Subsidiaries

HCL Technologies South Africa Proprietary Limited
HCL Axon Proprietary Limited

Founder of:

HCL South Africa Share Ownership Trust

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

Ultimate holding company

HCL Technologies Limited

Fellow subsidiaries

HCL America Inc.
HCL Argentina s.a.
HCL (Brazil) Technologia da informacao Ltda.
HCL Mexico S. de R.L.
HCL Technologies, S.A.
HCL Technologies Colombia SAS
Axon Solutions Inc
HCL Axon Technologies Inc.-SD (fly Axon Solutions (Canada) I
HCL Great Britain Limited
FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.
HCL Poland Sp.z.o.o.
HCL Technologies Limited- Ireland Branch
HCL Technologies Limited- Swiss Branch
HCL Technologies Ltd. Ogranizacni slozka(Czech Branch)
HCL EAS Limited,
HCL Sweden AB
HCL Technologies Limited - Finland Branch
HCL Hungary Kft
HCL Technologies Limited - Russia Branch
HCL (Netherlands) BV
HCL Technologies Romania s.r.l.
HCL Technologies Germany Gmbh
HCL Technologies UK Limited
HCL Technologies B.V
HCL (Ireland) Information Systems Limited
HCL Technologies Belgium BVBA
HCL GmbH
Axon Group Limited UK
Axon Solutions Limited
HCL Technologies Chile Spa
HCL Technologies Sweden AB
HCL Technologies Italy SPA
HCL İstanbul Bilişim Teknolojileri Limited Şirketi
HCL Technologies Greece Single Member P.C.
HCL Belgium NV
HCL Technologies Denmark Apps
HCL Technologies Norway AS
HCL Technologies Sweden (IOMC)
CeleritiFintech Limited
HCL Technologies France
HCL Australia Services Pty. Limited
HCL Technologies Limited- UAE Branch
HCL Singapore Pte Limited
HCL Japan Limited
HCL Technologies Limited - Israel Branch
HCL (New Zealand) Limited
HCL Arabia LLC
HCL Technologies Middle East FZ- LLC
HCL Hong Kong SAR Limited
JSP Consulting Sdn Bhd
Axon Solutions (Shanghai) Co. Ltd.
HCL Axon Malaysia Sdn Bhd-Software Division
PT. HCL Technologies Indonesia
HCL Technologies Philippines Inc.
HCL Axon Solutions (Shanghai) Co., Ltd., Beijing Branch
HCL Technologies Beijing Co., Ltd.
HCL Technologies (Shanghai) Limited
HCL Axon Solutions (Shanghai) Co., Ltd Tianjin Branch

Notes to the Consolidated Annual Financial Statements (continued)

Group
c) Transactions with related parties during the year in ordinary courses of business

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	R	R	R	R
Interest expenses				
Axon Solutions Limited	314,152	281,233	-	-
Axon Group Limited UK	-	193,778	-	-
HCL EAS Limited	586,603	1,261,000	-	-
Total	**900,755**	**1,736,011**	-	-
Insurance expenses				
HCL Technologies Limited	-	-	92,129	-
Total	-	-	**92,129**	-
Marketing Cost				
HCL Great Britain Limited	23,676,076	-	-	-
Total	**23,676,076**	-	-	-
Consulting charges				
HCL Technologies Limited	-	-	311,189,189	255,147,337
Axon Solutions (Shanghai) Co. Ltd.	64,039	-	-	-
Axon Solutions Inc	3,659	212,821	-	-
Axon Solutions Limited	(641,723)	1,149,974	-	-
HCL (Brazil) Technologia da informacao Ltda.	220,535	616,000	-	-
HCL America Inc. + 4220	1,093,647	2,677	-	-
HCL Argentina s.a.	477,186	2,347,565	-	-
HCL Australia Services Pty. Limited	43,058	132,999	-	-
HCL Axon Malaysia Sdn Bhd-Software Division	238,004	-	-	-
HCL Axon Solutions (Shanghai) Co., Ltd., Beijing Branch	672,024	272,933	-	-
HCL Belgium NV	47,958	-	-	-
HCL GmbH	367,908	18,165,690	-	-
HCL Great Britain Limited	11,666,497	3,249,759	-	-
HCL İstanbul Bilişim Teknolojileri Limited Şirketi	15,755	-	-	-
HCL Japan Limited	225,076	-	-	-
HCL (Netherlands) BV	45,698	-	-	-
HCL Poland Sp.z.o.o.	542,134	-	-	-
HCL Arabia LLC	617,385	546,466	-	-
HCL Technologies Beijing Co., Ltd.	112,162	-	-	-
HCL Technologies B.V	165,478	14,574	-	-
HCL Technologies Chile Spa	38,130	62,395	-	-
HCL Technologies Denmark Apps	322,933	68,349	-	-
HCL Technologies Italy SPA	115,243	-	-	-
HCL Technologies Middle East FZ- LLC	(630)	26,193	-	-
HCL Technologies Sweden (IOMC)	134,050	-	-	-
HCL Technologies UK Limited	3,603,952	5,817,315	-	-
FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	-	372,285	-	-
HCL (Ireland) Information Systems Limited	-	162,931	-	-
HCL Axon Solutions (Shanghai) Co., Ltd Tianjin Branch	-	617,898	-	-
HCL Axon Technologies Inc.-SD (fly Axon Solutions (Canada) I	-	423,185	-	-
HCL Hungary Kft	-	382,454	-	-
HCL Mexico S. de R.L.	-	(16,430)	-	-
HCL Singapore Pte Limited	-	88,906	-	-
HCL Technologies (Shanghai) Limited	-	245,969	-	-
HCL Technologies France	-	57,892	-	-
HCL Technologies Greece Single Member P.C.	-	214,534	-	-
HCL Technologies Limited - Russia Branch	-	26,381	-	-
HCL Technologies Limited - Finland Branch	-	268,662	-	-
HCL Technologies Limited- Swiss Branch	-	295,785	-	-
HCL Technologies Ltd. Ogranizacni slozka(Czech Branch)	-	144,662	-	-
HCL Technologies Norway AS	-	486,916	-	-
HCL Technologies Romania s.r.l.	-	149,428	-	-
HCL Technologies Sweden AB	-	349,771	-	-
Total	**20,190,158**	**36,956,939**	**311,189,189**	**255,147,337**

Notes to the Consolidated Annual Financial Statements (continued)

c) Transactions with related parties during the year in ordinary courses of business (Continued)

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	R	R	R	R
Software Income				
HCL Technologies Limited	-	-	546,147	4,090,030
Axon Solutions Inc	158,464	-	-	-
Axon Solutions Limited	292,835	2,675,350	-	-
CeleritiFintech Limited	809,065	670,972	-	-
HCL (Ireland) Information Systems Limited	14,109	-	-	-
HCL America Inc. + 4220	6,253,202	2,507,260	-	-
HCL Australia Services Pty. Limited	2,970,321	6,313,479	-	-
HCL Axon Technologies Inc.-SD (fly Axon Solutions (Canada) I	141,968	36,183	-	-
HCL Great Britain Limited	479,459	597,433	-	-
HCL Hong Kong SAR Limited	234,137	1,016,994	-	-
HCL Hungary Kft	41,521	-	-	-
HCL Japan Limited	505,787	14,662	-	-
HCL Singapore Pte Limited	2,198,798	3,470,827	-	-
HCL Sweden AB	149,165	16,141	-	-
HCL Technologies (Shanghai) Limited	180,593	382,454	-	-
HCL Comnet Ltd.	-	(26,556)	-	-
HCL Technologies B.V	442,729	-	-	-
HCL Technologies Germany Gmbh	92,787	-	-	-
HCL Technologies Greece Single Member P.C.	210,095	-	-	-
HCL Technologies Italy SPA	1,347,240	-	-	-
HCL Technologies Limited - Russia Branch	182,170	161,687	-	-
HCL Technologies Limited - Finland Branch	189,119	-	-	-
HCL Technologies Limited- Ireland Branch	473,133	-	-	-
HCL Technologies Limited- Swiss Branch	18,538	-	-	-
HCL Technologies Middle East FZ- LLC	185,512	633,669	-	-
HCL Technologies Norway AS	37,563	-	-	-
HCL Technologies UK Limited	2,462,737	1,195,864	-	-
HCL Technologies, S.A.	(118,709)	-	-	-
PT. HCL Technologies Indonesia	93,853	42,461	-	-
FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	-	96,935	-	-
HCL (Brazil) Technologia da informacao Ltda.	-	1,663,768	-	-
HCL Argentina s.a.	-	75,482	-	-
HCL Axon Malaysia Sdn Bhd-Software Division	-	248,287	-	-
HCL Mexico S. de R.L.	-	85,786	-	-
HCL Technologies Belgium BVBA	-	16,784	-	-
HCL Technologies Chile Spa	-	47,166	-	-
HCL Technologies Colombia SAS	-	31,624	-	-
HCL Technologies France	-	42,846	-	-
HCL Technologies Limited - Israel Branch	-	565,511	-	-
HCL Technologies Limited- UAE Branch	-	(42,175)	-	-
HCL Technologies Philippines Inc.	-	597,762	-	-
Total	**20,046,191**	**23,138,656**	**546,147**	**4,090,030**

Notes to the Consolidated Annual Financial Statements (continued)

d) Transactions with related parties during the year in ordinary courses of business (Continued)

Particulars	As at March 31, 2018	As at March 31, 2017
	R	R
Trade payable		
HCL Technologies Limited	183,630,483	75,275,241
Axon Solutions (Shanghai) Co. Ltd.	63,315	-
Axon Solutions Inc	3,659	0
Axon Solutions Limited	77,750	(210,624)
HCL (Brazil) Technologia da informacao Ltda.	682,387	615,464
HCL America Inc.	986,870	(402,870)
HCL Argentina s.a.	464,297	2,656,933
HCL Australia Services Pty. Limited	(0)	128,848
HCL Axon Malaysia Sdn Bhd-Software Division	242,537	-
HCL Axon Solutions (Shanghai) Co., Ltd., Beijing Branch	925,507	272,933
HCL Belgium NV	47,315	-
HCL GmbH	26,744	0
HCL Great Britain Limited	26,602,832	2,290,711
HCL İstanbul Bilişim Teknolojileri Limited Şirketi	15,843	-
HCL (Netherlands) BV	45,183	-
HCL Poland Sp.z.o.o.	533,675	(0)
HCL Arabia LLC	273,343	340,772
HCL Technologies (Shanghai) Limited	233,041	239,853
HCL Technologies Beijing Co., Ltd.	110,353	-
HCL Technologies B.V	164,515	15,404
HCL Technologies Chile Spa	37,318	62,395
HCL Technologies Greece Single Member P.C.	186,462	210,624
HCL Technologies Limited - Russia Branch	-	24,344
HCL Technologies Norway AS	-	486,916
HCL Technologies Sweden AB	-	99,360
HCL Technologies UK Limited	3,843,485	421,634
Total (A)	**219,196,914**	**82,527,938**
Other Current Liabilities		
HCL Technologies Limited	8,872,834	7,255,273
HCL Argentina s.a.	-	114,714
HCL Technologies Middle East FZ- LLC	-	26,193
Total (B)	**8,872,834**	**7,396,180**
Interest Payable		
HCL EAS Limited,	3,309,301	2,722,699
Axon Solutions Limited	755,300	451,582
Axon Group Limited UK	380,245	380,864
Total (C)	**4,444,846**	**3,555,145**
Total (A)+(B)+(C)	**232,514,594**	**93,479,263**

Notes to the Consolidated Annual Financial Statements (continued)

d) Transactions with related parties during the year in ordinary courses of business (Continued)

Particulars	As at March 31, 2018	As at March 31, 2017
	R	R
Trade receivable		
HCL Technologies Limited	548,190	4,106,884
Axon Solutions (Shanghai) Co. Ltd.	70,509	227,977
Axon Solutions Inc	11,029	41
Axon Solutions Limited	776,564	477,741
CeleritiFintech Limited	(102,963)	312,794
HCL (Brazil) Technologia da informacao Ltda.	1,659,118	2,684,561
HCL (Ireland) Information Systems Limited	3,457	-
HCL (New Zealand) Limited	19,115	0
HCL America Inc. + 4220	2,809,738	215,747
HCL Argentina s.a.	7,085	63,435
HCL Australia Services Pty. Limited	700,108	2,114,172
HCL Axon Technologies Inc.-SD (fly Axon Solutions (Ca	45,659	36,183
HCL Great Britain Limited	112,795	160,150
HCL Hong Kong SAR Limited	75,870	408,551
HCL Hungary Kft	41,521	-
HCL İstanbul Bilişim Teknolojileri Limited Şirketi	(147,101)	(166,162)
HCL Japan Limited	505,792	-
HCL Singapore Pte Limited	655,264	856,042
HCL Technologies (Shanghai) Limited	879,529	698,936
HCL Technologies B.V	442,729	-
HCL Technologies Chile Spa	444,059	295,828
HCL Technologies Colombia SAS	28,855	28,497
HCL Technologies Germany Gmbh	47,485	-
HCL Technologies Greece Single Member P.C.	210,095	-
HCL Technologies Italy SPA	1,347,240	-
HCL Technologies Limited - Russia Branch	45,577	-
HCL Technologies Limited - Finland Branch	189,119	-
HCL Technologies Limited- Swiss Branch	18,538	-
HCL Technologies Norway AS	(5,160)	(5,829)
HCL Technologies UK Limited	(227,878)	409,027
HCL Technologies, S.A.	25	184,802
JSP Consulting Sdn Bhd	7,641	-
PT. HCL Technologies Indonesia	70,199	34,068
HCL Mexico S. de R.L.	-	85,786
HCL Technologies France	-	42,846
HCL Technologies Middle East FZ- LLC	-	723,770
Total	**11,289,803**	**13,995,847**
Short-term loans payable		
HCL EAS Limited,	-	13,000,000
Axon Solutions Limited	8,314,450	8,328,000
Total	**8,314,450**	**21,328,000**
Unbilled revenue		
HCL Japan Limited	-	14,662
HCL Great Britain Limited	-	66,095
HCL Singapore Pte Limited	-	53,886
HCL Technologies Middle East FZ-LLC	-	50,321
Total	**-**	**184,964**
Other Receivable		
HCL Technologies Limited	184,258	-
Total	**184,258**	**-**
Deferred Cost		
HCL Technologies Limited	8,872,830	8,444,785
Total	**8,872,830**	**8,444,785**

Notes to the Consolidated Annual Financial Statements (continued)

Company

Outstanding balances with related parties

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	R	R	R	R
Trade Receivables				
HCL Technologies South Africa (Proprietary) Limited	100,000	-	-	-
Total	**100,000**	-	-	-
Short term loan				
HCL Axon (Pty) Ltd.	1,000,000	1,000,000	-	-
Total	**1,000,000**	**1,000,000**	-	-
Accounts Payable				
HCL Axon (Pty) Ltd.	4,802,403	-	-	-
Total	**4,802,403**	-	-	-
Interest accrued on short term loan				
HCL Axon (Pty) Ltd.	149,917	59,917	-	-
Total	**149,917**	**59,917**	-	-

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	R	R	R	R
Interest on short term loan				
HCL Axon Pty Limited	67,808	88,521	-	-

Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made at the terms equivalent to those that prevails in arm's length transactions. 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 31st March 2018, the company has not recorded any impairment of receivables relating to amounts owned by related parties.

27 Remuneration to directors and key management personnel

All the directors and key management personnel of the Anzsopan Group 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. The directors do not believe that it is practicable to apportion the remuneration paid between their services as directors and key management personnel of the Anzospan Group and their services as directors and key management personnel of the other group companies within the HCL group.

28 Retirement benefits

All eligible employees are members of the HCL Axon S.A.319 Pty 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 Pty 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 benefit in Note 3.

29 Capital management

	March 2018	March 2017
Share capital	62,003,184	62,003,184
Accumulated profit	534,767,052	518,443,129
	596,770,236	**580,446,313**

Capital includes equity shares and equity attributable to the equity holders of the parent. The primary objective of the Group'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 Group manages its capital structure and makes adjustment to it, in light of change in economic conditions.To maintain the capital structure, the group may issue new shares.

30 Financial Lease

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

2018

Year	Minimum Lease Rent Receivable	Present value of Lease Rent Receivable	Interest included in lease rent receivable
2018-19	56,307,777	50,770,887	5,536,889
2019-20	25,872,156	24,477,762	1,394,394
2020-21	717,516	694,112	23,405
2021-22	175,051	164,068	10,983
2022-23	364,157	327,414	36,742
Total	**83,436,657**	**76,434,243**	**7,002,413**

2017

Year	Minimum Lease Rent Receivable	Present value of Lease Rent Receivable	Interest included in lease rent receivable
2017-18	60,056,096	50,969,012	9,087,084
2018-19	66,135,924	59,850,650	6,285,274
2019-20	47,050,427	45,348,795	1,701,632
2020-21	480,434	473,173	7,261
Total	**173,722,881**	**156,641,630**	**17,081,251**

31 Previous year compartive

Certain prior year's figures have been reclassified to conform to the current financial statement presentation.