

HCL TECHNOLOGIES (PTY) LIMITED
(Registration number 2009/003046/07)

Financial Statements

For the year ended
31 December 2024

Audited financial statements
in compliance with Companies Act of South Africa

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Audited financial statements for the year ended December 31, 2024

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Sale, purchase, distribution, license, lease, services, manpower deployment, maintenance and consultancy of all kind, related to information technology.
Directors	Mr. Prateek Aggarwal (Indian citizen) (resigned w.e.f. 6 September 2024) Ms. Balungile Ntuli (South African citizen) Mr. Venkat Ramesh Kumar Ghanta (UK citizen) (appointed w.e.f. 6 September 2024) Mr. Shiv Kumar Walia (UK citizen) Mr. Nima Pravin Gagjee (South African citizen)
Registered office	GMI House, Harlequins Office Park, 164 Totius Street, Groenkloof, Pretoria, 0027
Business address	2nd Floor, ABB Park The Crescent 3 Eglin Road, Sunninghill 2157, South Africa
Postal address	PO Box 619 Pretoria 0001
Holding company	Anzospan Investment Proprietary Limited (Incorporated in South Africa)
Ultimate holding company	HCL Technologies Limited (Incorporated in India)
Auditors	KPMG Inc. Chartered Accountants
Company registration number	2009/003046/07
Preparer of annual financial statements	Sanchit Bansal (Associate Chartered Accountant of India)

Signed by:

Shiv Kumar Walia

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Shiv Kumar Walia

Authorised Director

Signed by:

Venkat Ramesh Kumar Ghanta

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Venkat Ramesh Kumar Ghanta

Authorised Director

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Audited financial statements for the year ended December 31, 2024

General information (continued)

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HCL Technologies (PTY) Limited

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Financial Statements for the year ended 31 December 2024

Directors' responsibilities

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the situation of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accountant Standards Board (IFRS Accounting Standards) and the requirements of Companies Act.

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

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risks of error or loss in a cost-effective manner.

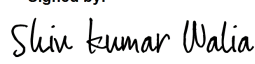
The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risks across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

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


Approval of annual financial statements

The audited annual financial statements set out on pages 7 to 40 were approved by the board of directors on 15 May 2025.

Signed by:

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Shiv Kumar Walia

Authorised Director

Signed by:

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Venkat Ramesh Kumar Ghanta

Authorised Director

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Financial Statements for the year ended 31 December 2024**Directors' report****1. Incorporation**

The company was incorporated on 16 February 2009 and obtained its certificate to commence business on the same day.

2. Business and operations

The company is engaged in sale, purchase, distribution, license, lease, services, manpower deployment, maintenance and consultancy of all kinds related to information technology. The operating results and situation of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment. The board is of the opinion that the company is financially sound and operates a going concern. The annual financial statements have accordingly been prepared on this basis.

3. Review of operations

The results of operations for the year are set out in the statement of comprehensive income. A net profit of R123,795,937 (2023: Profit R 94,006,591 for the 9 months period ended 31 December 2023) was recorded for the year ended 31 December 2024 under review.

4. Going concern

The company earned profit for the year ended 31 December 2024 of R123,795,937 (2023: Profit R94,006,591 for the 9 months period ended 31 December 2023) and as at that date its total assets exceeded its total liabilities by R727,072,054 (31 December 2023 - R603,276,117). In addition, current assets exceed current liabilities by R523,962,620 (31 December 2023 - R402,111,699).

5. Share capital

There were no changes in the authorized or issued share capital of the company during the year under review.

6. Directors

Particulars of the directors present during the year ended on 31 December 2024 are given below:

Sno.	Name of directors	Citizenship	Director type	Date of appointment/resignation
1	Venkat Ramesh Kumar Ghanta	UK	Non-Executive	06-09-2024 (appointed)
2	Shiv Kumar Walia	UK	Non-Executive	03-08-2023 (appointed)
3	Nima Pravin Gagjee	South Africa	Non-Executive	04-09-2017 (appointed)
4	Prateek Aggarwal	India	Non-Executive	06-09-2024 (resigned)
5	Balungile Ntuli	South Africa	Executive	01-08-2019 (appointed)

7. Holding company

HCL Technologies South Africa (Pty) Limited and Anzospan Investments Proprietary Limited, incorporated in South Africa, hold 65% and 35% respectively.

8. Ultimate holding company

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

9. Dividends

Dividends of Nil (2023: R80,000,00) were declared and paid during the year.

10. Subsequent events

There were no fraud or material circumstances which have occurred between the accounting date and date of this report which significantly affect the financial position of the company or the results of its operation

11. Auditor

KPMG retire and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.



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Independent Auditor's Report

To the shareholders of HCL Technologies (Pty) Limited

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of HCL Technologies (Pty) Limited (the Company) set out on pages 7 to 40, which comprise the statement of financial position as at 31 December 2024, 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 financial statements, including a summary of material accounting policy information

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of HCL Technologies (Pty) Limited as at 31 December 2024, and its separate financial performance and separate cash flows for the year then ended then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 separate financial statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "HCL Technologies (Pty) Limited Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report as required by the Companies Act of South



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

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

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

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as




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

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

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

KPMG Inc.
Registered Auditor

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Per M.A. Sithole
Chartered Accountant (SA)
Registered Auditor
Director
20 May 2025

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Financial statements for the year ended 31 December 2024**Statement of comprehensive income for the year ended 31 December 2024**

	Notes	12 months ended 31 December 2024 ZAR	9 months ended 31 December 2023 ZAR
Revenue from contract with customers	2	2,065,836,077	1,589,980,369
Cost of sales		(1,838,061,960)	(1,387,522,400)
Gross profit		227,774,117	202,457,969
Other income	3	25,096,946	6,249,709
Selling and distribution expenses		(54,118,271)	(53,460,981)
Provision for bad debts	4	(3,176,579)	(1,389,519)
Administrative expenses		(26,341,907)	(24,384,058)
Operating profit		169,234,306	129,473,120
Finance cost	4	(52,474)	(1,490,648)
Profit before taxation		169,181,832	127,982,472
Taxation	5	(45,385,895)	(33,975,881)
Profit after taxation		123,795,937	94,006,591
Other comprehensive income		-	-
Total comprehensive income for the year/period		123,795,937	94,006,591

HCL Technologies (PTY) Limited
(Registration number 2009/003046/07)
Financial statements for the year ended 31 December 2024

Statement of financial position as at 31 December 2024

	Notes	31 December 2024 ZAR	31 December 2023 ZAR
ASSETS			
Non-current assets			
Property, plant and equipment	6	9,243,425	9,458,088
Right of use assets	21	1,607,975	1,411,776
Goodwill	7	130,739,952	124,730,903
Other intangible assets	8	11,671,733	1,657,647
Non-current receivables	9	46,957,450	48,886,469
Deferred contract cost	10	2,896,274	11,954,913
Deferred tax assets (net)	11	13,896,506	15,214,889
Total non-current assets		217,013,315	213,314,685
Current assets			
Cash and cash equivalents	12	582,286,665	92,560,659
Receivable from ultimate holding company and fellow subsidiaries	13	19,745,235	86,728,918
Inventories	14	182,476	5,206,387
Contract assets	2	488,606	8,091,782
Unbilled receivables	15	37,524,340	20,856,093
Trade receivables	16	453,791,175	626,305,013
Other receivables	16	68,285,263	52,011,835
Advance tax	22	5,311,137	-
Finance lease receivables	17	32,437,546	57,092,243
Deferred contract cost	10	26,632,644	52,552,417
Total current assets		1,226,685,087	1,001,405,347
TOTAL ASSETS		1,443,698,402	1,214,720,032
EQUITY			
Share capital	18	87,000,000	87,000,000
Share based payment reserve	19	103,175,741	103,175,741
Retained earnings		536,896,313	413,100,376
TOTAL EQUITY		727,072,054	603,276,117
LIABILITIES			
Non-current liabilities			
Lease liabilities	21	744,624	998,189
Contract liabilities	2	13,015,138	11,152,078
Provisions	23	144,119	-
Total non-current liabilities		13,903,881	12,150,267
Current liabilities			
Owed to ultimate holding company and fellow subsidiaries	25	399,612,163	309,011,927
Trade and other payables	24	108,165,565	130,094,285
Contract liabilities	2	178,345,326	104,760,393
Lease liabilities	21	1,596,854	1,424,703
Income tax payable	22	-	33,342,819
Provisions	23	15,002,559	20,659,521
Total current liabilities		702,722,467	599,293,648
TOTAL LIABILITIES		716,626,348	611,443,915
TOTAL EQUITY AND LIABILITIES		1,443,698,402	1,214,720,032

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Financial statements for the year ended 31 December 2024**Statement of changes in equity for the year ended 31 December 2024**

	Share capital	Share based payment reserve	Retained earnings	Total equity
	ZAR	ZAR	ZAR	ZAR
Balance as at 1 April 2023	87,000,000	103,175,741	399,093,785	589,269,526
Profit for the period	-	-	94,006,591	94,006,591
Total comprehensive income for the period	-	-	94,006,591	94,006,591
Dividend paid (Note-1)	-	-	(80,000,000)	(80,000,000)
Balance as at 31 December 2023	87,000,000	103,175,741	413,100,376	603,276,117

Note-1: During the period the company has paid an interim dividend of ZAR 80,000,000. Amount of dividend paid to Anzospan Investments Pty Ltd. on 21-12-2023 at the rate of ZAR 0.92 per equity share of face value ZAR 1 each amounts to ZAR 28,000,000 and dividend paid to HCL Technologies South Africa Proprietary Limited on 21-12-2023 at the rate of ZAR 0.92 per equity share of face value ZAR 1 each amounts to ZAR 52,000,000 each.

	Share capital	Share based payment reserve	Retained earnings	Total equity
	ZAR	ZAR	ZAR	ZAR
Balance as at 1 January 2024	87,000,000	103,175,741	413,100,376	603,276,117
Profit for the year	-	-	123,795,937	123,795,937
Total comprehensive income for the year	-	-	123,795,937	123,795,937
Balance as at 31 December 2024	87,000,000	103,175,741	536,896,313	727,072,054

HCL Technologies (PTY) Limited

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Financial statements for the year ended 31 December 2024**Statement of cash flows for the year ended 31 December 2024**

	12 months ended 31 December 2024	9 months ended 31 December 2023
	ZAR	ZAR
Cash flows from operating activities		
Profit before tax	169,181,832	127,982,472
Adjustment for:		
Depreciation and amortization	5,733,105	12,204,112
Depreciation for right of use asset	1,117,608	694,422
Interest income	(20,756,339)	(11,218,803)
Loss on disposal of fixed assets	8,240	4,776
Unrealized foreign currency losses and gains (net)	(855,216)	349,997
Provision for bad debts	3,176,579	1,389,519
Interest expenses	266,111	159,710
Cash flow before working capital changes:	157,871,920	131,566,205
Net change in		
Trade and other receivables	212,288,157	(122,402,613)
Receivable from ultimate holding and fellow subsidiaries	67,269,426	(60,815,873)
Inventories	5,023,911	(1,662,658)
Unbilled receivables	(35,009,930)	12,894,972
Non-current receivables	29,329,342	54,349,794
Owed to ultimate holding company and fellow subsidiaries	90,789,598	(18,197,415)
Trade and other payables	(22,064,514)	(1,701,103)
Income tax payable	946,628	471,002
Contract liabilities	75,447,993	25,264,432
Provisions	(5,564,992)	7,513,594
Cash generated from operations	576,327,539	27,280,336
Income tax paid	(83,668,096)	(20,049,658)
Net cash flow from operating activities	492,659,443	7,230,678
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,471,534)	(880,672)
Purchase of intangible assets	(836,135)	-
Payments on account of business combination	(16,242,149)	-
Interest income	20,756,339	11,218,803
Net cash (used in) / from investing activities	(793,479)	10,338,131
Cash flows from financing activities		
Payment of lease liabilities including interest	(2,139,958)	(1,013,817)
Dividend paid	-	(80,000,000)
Net cash used in financing activities	(2,139,958)	(81,013,817)
Net increase/(decrease) in cash and cash equivalents	489,726,006	(63,445,008)
Cash and cash equivalents at the beginning of the year	92,560,659	156,005,667
Cash and cash equivalents at the end of the year/period	582,286,665	92,560,659

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Financial Statements for the year ended 31 December 2024**Material accounting policies****1. Presentation of annual financial statements**

The Financial Statements set out on pages 7 to 40 are prepared on the historical cost basis. The company's material accounting policies conform with International Financial Reporting Standards.

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

The financial statements for the year ended 31 December 2024 were approved and authorized for issue by the Board of Directors on 15 May 2025.

1.1 Property, plant and equipment

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

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

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

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

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

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

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

1.2 Tax**Current tax**

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

Deferred tax

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

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

1.3 Leases

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

HCL Technologies (PTY) Limited

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Financial Statements for the year ended 31 December 2024

Material accounting policies

1.3 Leases (continued)**Company as a lessee**

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

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

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

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

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

Company as a lessor

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

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

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

1.4 Intangible assets

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

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

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

HCL Technologies (PTY) Limited

(Registration number 2009/003046/07)

Financial Statements for the year ended 31 December 2024**Material accounting policies (continued)****1.4 Intangible assets (continued)**

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category consistent with the function of the intangible assets. The following are the finite lives of the intangible assets in the company for the current and prior year.

Category	Finite lives
Customer relationship	9-10 years
Intellectual property	5 years
Software application	3 years
Customer contracts	1.5 years

1.5 Business combinations and goodwill

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

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

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

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

1.6 Financial instrumentsFinancial assets

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost

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

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

HCL Technologies (PTY) Limited

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Financial Statements for the year ended 31 December 2024**Material accounting policies (continued)****1.6 Financial instruments (continued)***Financial assets at amortized cost (continued)*

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

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

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

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

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

Derecognition of financial assets

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

Impairment of financial assets

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

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

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Financial Statements for the year ended 31 December 2024**Material accounting policies (continued)****1.6 Financial instruments (continued)***Financial liabilities at amortized cost (continued)*

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

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

Derecognition

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

Offsetting of financial instruments

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

1.7 Provisions

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

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

1.8 Foreign currencies

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

1.9 Revenue recognition**Contracts involving provision of services and material**

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction-based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

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Financial Statements for the year ended 31 December 2024

Material accounting policies (continued)

1.09 Revenue recognition (continued)Fixed Price contracts (continued)

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost-to-cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Multiple performance obligations

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five-step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative selling price. selling price is the price at which entity would sell a promised good or service separately to the customer. When not directly observable, we typically estimate selling price by using the expected cost plus a margin approach. We typically establish a selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as an entity is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfilment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and recorded as Deferred contract cost and amortized, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the entity is a principal to the transaction and net of costs when the entity is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the entity is a principal or an agent, most notably being entity control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in expenses.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

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Financial Statements for the year ended 31 December 2024

Material accounting policies (continued)

1.09 Revenue recognition (continued)Multiple performance obligations (continued)

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Other income

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

Contract balancesContract assets

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

Contract liabilities

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

1.10 Retirement benefits

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

1.11 Fair value measurement

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

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

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Material accounting policies (continued)

1.12 Impairment

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

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

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

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

Goodwill

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

Intangible assets

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

1.13 Inventories

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

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

1.14 Value Added Tax

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

- i) When the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of Value Added Tax included.

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

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Material accounting policies (continued)

1.15 Cash and Cash Equivalents

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

1.16 Equity instruments

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

1.17 Equity settled Share based payment.**Share based payment arrangements.**

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

1.18 Significant accounting judgements and estimates**Judgements**

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

Estimation uncertainty

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

Depreciation rates

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values. During the year management revised the estimated useful life of assets as stated in note 1.1.

Trade accounts receivable

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

Impairment of goodwill

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

Recovery of deferred tax assets

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

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1.19 New Standards and Interpretations

There are no recent accounting pronouncements or amendments effective during the reporting period that have significant impact on these financial statements.

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Notes to the financial statements

	12 months ended 31 December 2024 ZAR	9 months ended 31 December 2023 ZAR
2 Revenue from contract with customers		
Service income	1,968,097,744	1,483,419,208
Sale of goods*	67,821,886	93,272,849
Sale under financial lease	29,916,447	13,288,312
	<u>2,065,836,077</u>	<u>1,589,980,369</u>
*Sale of goods comprises of sale of IT hardware items to customers		
Timing of revenue recognition		
Goods transferred at a point in time	97,738,333	106,561,161
Services transferred over time	1,968,097,744	1,483,419,208
Total revenue from contract with customers	<u>2,065,836,077</u>	<u>1,589,980,369</u>

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, change in scope of contracts, periodic revalidations of the estimates, economic factors (change in currency rates, tax laws etc.). As at 31 December 2024, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of IFRS 15 was ZAR 3,544 millions (31st December 2023, ZAR 3,441 millions). This is after exclusions of below:

- a) Contracts for which we recognize revenues based on the right to invoice for services performed,
- b) Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or
- c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Contract assets	488,606	8,091,784
Contract liabilities	191,360,464	115,912,471

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

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

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Current	178,345,326	104,760,393
Non-current	13,015,138	11,152,078
	<u>191,360,464</u>	<u>115,912,471</u>

The below table discloses the movement in balances of contract liabilities :

	31 December 2024 ZAR	31 December 2023 ZAR
Balance as at beginning of the year	115,912,471	90,648,039
Additional amounts billed but not recognized as revenue during the year/period	123,617,018	79,723,928
Deduction on account of revenues recognized during the year/period	(48,169,025)	(54,459,496)
Balance as at end of the year/period	<u>191,360,464</u>	<u>115,912,471</u>

3 Other income

	12 months ended 31 December 2024 ZAR	9 months ended 31 December 2023 ZAR
Interest income	20,756,339	11,218,803
Exchange differences (net)	4,340,607	(4,969,094)
	<u>25,096,946</u>	<u>6,249,709</u>

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Notes to the financial statements

	12 months ended 31 December 2024 ZAR	9 months ended 31 December 2023 ZAR
4 Expenses		
Profit before income tax includes the following specific expenses:		
Depreciation and amortization		
Plant and equipment	4,677,957	10,554,605
Right of use assets	1,117,608	694,422
Intangible assets	1,055,148	1,649,506
Total depreciation and amortization	6,850,713	12,898,533
Finance costs		
Finance (income)/charges	(781,285)	1,136,277
Interest expense on lease liability	266,111	159,710
Bank charges	567,648	193,933
Late payment	-	728
Total finance cost	52,474	1,490,648
Auditor's remuneration	380,930	442,160
Provision for bad debts	3,176,579	1,389,519
Consulting charges	1,170,308,236	848,229,606
Cost of goods sold	60,552,329	80,335,820
Employee benefits expense		
Salaries	305,981,486	222,689,411
Bonus	13,499,574	11,585,877
Loss on disposal of capital assets	8,240	4,776
5 Income tax expense		
The major components of income tax expenses		
Current income tax:		
Current income tax charge	45,481,685	45,564,631
Others	(332,805)	-
Prior year excess provision	(1,081,369)	(597,897)
Deferred tax:		
Relating to origination and reversal of temporary differences	236,245	(10,990,853)
Deferred tax prior year under provision	1,082,139	-
	45,385,895	33,975,881
Reconciliation of tax expense and the accounting profit		
Accounting profit before income tax	169,181,832	127,982,472
Statutory income tax rate of 27% (2023: 27%)	45,679,095	34,555,268
Adjustments in respect of current income tax of previous years	(1,081,369)	(597,897)
Adjustments in respect of deferred income tax of previous years	1,082,139	-
Non-deductible expenses for tax purposes	38,835	18,510
Others	(332,805)	-
At the effective income tax rate of 27% (2023: 27%)	45,385,895	33,975,881
Income tax expense reported in the statement of profit or loss	45,385,895	33,975,881
Movements in current income tax liabilities:		
Balance, at beginning of financial year	33,342,819	7,954,741
Income tax paid	(83,668,096)	(20,049,658)
	(50,325,277)	(12,094,917)
Prior year's over provision	1,081,369	(597,897)
Current financial year's tax	45,481,685	45,564,631
Foreign withholding tax	-	-
Written off	-	-
New certificates	(1,548,914)	(394,130)
Refund	-	865,132
Balance at end of financial year/period	(5,311,137)	33,342,819

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Notes to the financial statements

6 Property, plant and equipment

The changes in carrying value for the year ended 31 December 2024

	Computer equipment	Plant & machinery	Office equipment	Furniture and fittings	Under construction	Total
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Gross block as at 1 January 2024	99,644,510	324,014	959,247	2,090,363	-	103,018,134
Additions	4,471,534	-	-	-	-	4,471,534
Disposals/other adjustments	(241,997)	-	-	-	-	(241,997)
Gross block as at 31 December 2024	103,874,047	324,014	959,247	2,090,363	-	107,247,671
Accumulated depreciation as at 1 January 2024	90,873,784	217,484	575,709	1,893,071	-	93,560,047
Depreciation during the year	4,314,773	32,468	247,391	83,325	-	4,677,957
Disposals/other adjustments	(233,759)	-	-	-	-	(233,759)
Accumulated depreciation as at 31 December 2024	94,954,798	249,952	823,100	1,976,396	-	98,004,246
Net block as at 31 December 2024	8,919,249	74,062	136,147	113,967	-	9,243,425

The changes in carrying value for the 9 months ended 31 December 2023

	Computer equipment	Plant & machinery	Office equipment	Furniture and fittings	Under construction	Total
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Gross block as at 1 April 2023	98,898,306	324,014	835,812	2,090,363	2,637,845	104,786,340
Additions	757,237	-	123,435	-	-	880,672
Disposals / other adjustments	(11,033)	-	-	-	(2,637,845)	(2,648,878)
Gross block as at 31 December 2023	99,644,510	324,014	959,247	2,090,363	-	103,018,134
Accumulated depreciation as at 1 April 2023	80,539,369	193,139	448,598	1,830,592	-	83,011,698
Depreciation during the period	10,340,671	24,345	127,111	62,479	-	10,554,606
Disposals/other adjustments	(6,257)	-	-	-	-	(6,257)
Accumulated depreciation as at 31 December 2023	90,873,784	217,484	575,709	1,893,071	-	93,560,047
Net block as at 31 December 2023	8,770,727	106,530	383,538	197,292	-	9,458,088

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****7 Goodwill**

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Opening balance	124,730,903	124,730,903
Goodwill acquired through business combination (Refer below Note-1)	6,009,049	-
	130,739,952	124,730,903

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

Asset description	Amt in ZAR	Life (Years)	Basis of amortization
Customer relationships	3,437,235	9-10	In proportion of estimated revenue
Goodwill - IBM software products	6,016,784	-	
Goodwill - Axon	118,714,119	-	

Note-1 Acquisition of business related to certain assets (CSS) of Communications Technology Group (CTG) from Hewlett Packard Enterprise (HPE)

On 23 May 2024, HCL Group signed a definitive agreement to carve-out and acquire business related to certain intellectual property rights (IPs), customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE. The acquisition got consummated, post-regulatory approvals on 1 December 2024. The acquisition will enable HCL Group to gain a portfolio of service offerings that includes industry-leading IPs, solutions and systems integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

Out of the overall deal purchase price of \$ 210Mn, the company had paid the purchase price of ZAR 4,679,745 which has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

Asset description	Amount (In ZAR)
Customer relationship	8,007,985
Customer contracts	2,225,115
Goodwill	6,009,049
Deferred revenue	(11,049,815)
Employee liab	(512,589)
Total purchase consideration	4,679,745

The resultant goodwill is primarily non-tax deductible

The table below shows the values and lives of intangible assets recognized on acquisition which will be amortized on straight line basis:

Asset description	Life (in Years)
Customer relationship	9
Customer contracts	1.5

HCL Group is in the process of making a final determination of the purchase price and fair value of assets and liabilities acquired. Finalization of such determination may result in certain adjustments to the above allocations.

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

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

The recoverable amount of the unit was based on its value in use, determined by discounting the future cash flows that generated from the business acquired. Value in use was computed based on the following key assumptions:

- i.) Cash flows were projected based on the financial year ended 31 December 2024 actual operating results and the Company's 5-years business plan, with average net margin applied of 7% (2023: 7%) per annum for the years 2025 to 2029.
- ii.) The terminal value was estimated using the perpetuity growth model, with a weighted average growth rate to perpetuity of 1% (2023: 2%).
- iii.) A pre-tax discount rate of 18% (2023: 20%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry average weighted average cost of capital.

With regard to the assessment of value in use of this CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of this CGU to differ materially from its recoverable amount except for the changes in the prevailing operating environment, the impact of which is not expected to be significant.

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****8 Other intangible assets**

The changes in carrying value for the year ended 31 December 2024

	Customer contracts	Customer relationships	Software application	Total
		ZAR	ZAR	ZAR
Gross block as at 1 January 2024	-	20,812,620	68,941,153	89,753,774
Additions	-	-	836,135	836,135
Acquired through business combination	2,225,115	8,007,985	-	10,233,100
Disposals / other adjustments	-	-	-	-
Gross block as at 31 December 2024	2,225,115	28,820,605	69,777,288	100,823,009
Accumulated amortization as at 1 January 2024	-	19,414,342	68,681,784	88,096,127
Amortization charge during the year (net)	123,618	416,565	514,966	1,055,149
Disposals / other adjustments during the year	-	-	-	-
Accumulated amortization as at 31 December 2024	123,618	19,830,907	69,196,750	89,151,276
Net block as at 31 December 2024	2,101,497	8,989,698	580,538	11,671,733

The changes in carrying value for the 9 months ended 31 December 2023

	Customer contracts	Customer relationships	Software application	Total
		ZAR	ZAR	ZAR
Gross block as at 1 April 2023	-	20,812,620	68,941,153	89,753,774
Additions	-	-	-	-
Disposals/other adjustments	-	-	-	-
Gross block as at 31 December 2023	-	20,812,620	68,941,153	89,753,774
Accumulated amortization as at 1 April 2023	-	19,139,081	67,307,540	86,446,621
Amortization charge during the period	-	275,261	1,374,245	1,649,506
Disposals/other adjustments during the period	-	-	-	-
Accumulated amortization as at 31 December 2023	-	19,414,342	68,681,784	88,096,127
Net block as at 31 December 2023	-	1,398,278	259,369	1,657,647

9 Non-current receivables

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Finance lease receivables	13,585,233	36,477,172
Deposits	510,062	-
Prepaid expenses	12,418,714	10,307,540
Unbilled receivables	20,443,441	2,101,758
	46,957,450	48,886,469

10 Deferred contract cost

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Non Current		
Deferred contract cost - group (refer note 28 (d))	-	636,903
Deferred contract cost - Non group	2,896,274	11,318,010
	2,896,274	11,954,913
Current		
Deferred contract cost - group (refer note 28 (d))	18,204,931	40,598,790
Deferred contract cost - Non group	8,427,713	11,953,627
	26,632,644	52,552,417
	29,528,918	64,507,330

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****11 Deferred tax assets (net)**

Components of deferred tax assets and liabilities as at 31 December 2024

	Opening balance	Recognized in profit and loss	Closing balance
	ZAR	ZAR	ZAR
Deferred tax assets			
Provision for audit fees	93,150	9,701	102,851
Contract liability / Deferred contract cost (Net)	4,400,887	2,712,755	7,113,642
Bonus provision	2,355,982	(254,322)	2,101,660
Other payroll liability	87,565	(29,629)	57,936
Leave pay provision	3,222,088	(1,234,145)	1,987,943
Provision for doubtful debts	967,293	514,606	1,481,899
Other provisions	1,441,666	(1,032,234)	409,432
Leases	57,071	133,794	190,865
Finance lease receivable	5,209,654	4,506,515	9,716,169
Gross deferred tax assets (A)	17,835,357	5,327,040	23,162,397
Deferred tax liabilities			
Tangible assets	85,637	956,330	1,041,967
Net prepayment	2,157,296	5,801,566	7,958,862
IPR amortization cost	377,535	(112,473)	265,062
Gross deferred tax liabilities (B)	2,620,468	6,645,423	9,265,891
Net deferred tax assets (A-B)	15,214,889	(1,318,383)	13,896,506

Components of deferred tax assets and liabilities as at 31 December 2023

	Opening balance	Recognized in profit and loss	Closing balance
	ZAR	ZAR	ZAR
Deferred tax assets			
Provision for audit fees	81,000	12,150	93,150
Contract liability / Deferred contract cost (Net)	2,805,242	1,595,645	4,400,887
Bonus provision	2,449,017	(93,034)	2,355,982
Other payroll liability	15,572	71,993	87,565
Leave pay provision	1,098,773	2,123,315	3,222,088
Provision for doubtful debts	742,191	225,102	967,293
Other provisions	543,868	897,798	1,441,666
Leases	25,371	31,700	57,071
Finance lease receivable	-	5,209,654	5,209,654
Gross deferred tax assets (A)	7,761,034	10,074,323	17,835,357
Deferred tax liabilities			
Tangible assets	47,726	37,911	85,637
Net prepayment	2,299,296	(141,999)	2,157,296
IPR amortization cost	451,855	(74,321)	377,535
Finance lease	738,121	(738,121)	-
Gross deferred tax liabilities (B)	3,536,998	(916,530)	2,620,468
Net deferred tax assets (A-B)	4,224,036	10,990,853	15,214,889

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****12 Cash and cash equivalents**

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Balance with banks	214,286,665	92,560,659
Deposits with original maturity of less than 3 months	368,000,000	-
	582,286,665	92,560,659

13 Receivable from ultimate holding company and fellow subsidiaries

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Trade receivable-group (refer note 28 (d))	8,210,483	80,889,960
Advance receivable-group (refer note 28 (d))	-	3,605,290
Unbilled receivables-group (refer note 28 (d))	11,534,752	2,233,668
	19,745,235	86,728,918

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

14 Inventories

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Inventory in hand	1,856,126	5,885,095
Less: Provision for inventory	(1,673,650)	(678,709)
	182,476	5,206,387

Inventories are components that are used to support the company's installation service with customers. These are mainly servers, storage devices, backup devices & networking equipment which are purchased from vendor and will be billed to the customer as and when the project requirement got received.

15 Unbilled receivables

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Unbilled receivables	37,524,340	25,899,078
Accrued revenue	-	(5,042,985)
	37,524,340	20,856,093

16 Trade and other receivables

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Trade receivables	462,938,698	632,275,957
Less: Provision for doubtful debt	(9,147,523)	(5,970,944)
	453,791,175	626,305,013
Other receivables	68,285,263	52,011,835
	68,285,263	52,011,835

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

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Trade and other receivables (continued)

As at December 31, 2024 the ageing analysis of trade receivables is as follows:

Total	Neither past due nor impaired (Up to 30 days)	Past due but not impaired		
		31-60 Days	61-180 Days	180> Days
462,938,698	68,769,069	221,530,131	119,575,202	53,064,296

As at December 31, 2023 the ageing analysis of trade receivables is as follows:

Total	Neither past due nor impaired (Up to 30 days)	Past due but not impaired		
		31-60 Days	61-180 Days	180> Days
632,275,957	144,419,264	287,839,892	156,097,602	43,919,199

As at 31 December 2024

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate	0.08%	1.74%	29.87%	1.98%
Gross carrying amount (ZAR)	339,033,077	99,971,728	23,933,893	462,938,698
Expected credit loss (ZAR)	261,721	1,736,374	7,149,428	9,147,523

As at 31 December 2023

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate	0.00%	0.08%	37.25%	0.94%
Gross carrying amount (ZAR)	366,697,920	250,068,895	15,509,142	632,275,957
Expected credit loss (ZAR)	4,288	189,719	5,776,937	5,970,944

17 Finance lease receivables

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

As at 31 December 2024

Year	Minimum lease rent receivable	Present value of lease rent receivable	Interest included in lease rent receivable
	ZAR	ZAR	ZAR
2025	34,290,262	32,437,546	1,852,716
2026	12,959,668	12,325,004	634,664
2027	984,409	898,192	86,217
2028	362,762	348,626	14,136
2029	13,808	13,412	396
Total	48,610,909	46,022,780	2,588,129

As at 31 December 2023

Year	Minimum lease rent receivable	Present value of lease rent receivable	Interest included in lease rent receivable
	ZAR	ZAR	ZAR
2024	59,207,946	57,092,243	2,115,702
2025	26,355,118	24,548,551	1,806,567
2026	11,531,961	10,927,776	604,185
2027	722,542	640,893	81,649
2028	368,750	359,952	8,798
Total	98,186,316	93,569,416	4,616,901

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****18 Equity share capital**

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Authorized 200,000,000 (2023 : 200,000,000) ordinary shares of ZAR 1 each	200,000,000	200,000,000
Issued, subscribed and fully paid up 87,000,000 (2023: 87,000,000) ordinary shares of ZAR 1 each	87,000,000	87,000,000

19 Share based payment reserve

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Share based payment reserve	103,175,741	103,175,741

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

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

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

Valuation date	31 January 2020
Settlement date	31 March 2040
Call option exercise date	31 March 2040
Interest Rate	12.25%
Equity value of operating company	ZAR 544.70 Mn

20 Capital management

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Share capital	87,000,000	87,000,000
Retained earnings	536,896,313	413,100,376
	623,896,313	500,100,376

Capital includes equity shares and equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustment to it, in light of change in economic conditions. To maintain the capital structure, the company may issue new shares.

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****21 Leases****Entity as a lessee**

The entity's significant leasing arrangements are in respect of leases for office spaces and IT equipments.

The details of the right-of-use asset held by the entity is as follows:

	Buildings	Computers and networking equipment	Total
	ZAR	ZAR	ZAR
Balance as at 1 April 2023	-	-	-
Additions	1,892,690	213,508	2,106,198
Depreciation	(689,026)	(5,396)	(694,422)
Balance as at 31 December 2023	1,203,664	208,112	1,411,776
Balance as at 1 January 2024	1,203,664	208,112	1,411,776
Additions	940,646	891,507	1,832,153
Depreciation	(949,555)	(168,053)	(1,117,608)
Moved to finance sub-lease	-	(518,346)	(518,346)
Balance as at 31 December 2024	1,194,755	413,220	1,607,975

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Capital lease obligation - non current	744,624	998,189
Capital lease obligation - current	1,596,854	1,424,703
	2,341,478	2,422,892

The reconciliation of lease liabilities is as follows:

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Balance as at 1st January/1st April	2,422,892	1,183,114
Additions	1,792,433	2,093,885
Amounts recognized in statement of profit and loss as interest expense	266,111	159,710
Payment of lease liabilities	(2,139,958)	(1,013,817)
Balance as at 31st December	2,341,478	2,422,892

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities:

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Not later than one year	1,748,962	1,564,313
Between one and three years	771,778	1,064,054
Total lease payments	2,520,740	2,628,367
Imputed interest	(179,262)	(205,474)
Total lease liabilities	2,341,478	2,422,893

22 Advance tax / Income tax payable

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Advance tax	(148,491,381)	(106,011,897)
Income tax provisions	143,180,244	139,354,716
	(5,311,137)	33,342,819

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23 Provisions

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Non-current		
Bonus	144,119	-
	144,119	-
Current		
Bonus	7,639,806	8,725,861
Leave encashment	7,362,753	11,933,660
	15,002,559	20,659,521

	Leave encashment ZAR	Bonus ZAR	Total ZAR
Balance as at 1 April 2023	4,069,531	9,070,432	13,139,963
Charge during the period	7,954,049	633,399	8,587,448
Payout/reversal of provisions during the period	(89,920)	(977,970)	(1,067,890)
Balance as at 31 December 2023	11,933,660	8,725,861	20,659,521
Balance as at 1 January 2024	11,933,660	8,725,861	20,659,521
Charge during the year	(2,639,987)	2,925,606	285,619
Payout/reversal of provisions during the year	(1,930,920)	(3,867,542)	(5,798,462)
Balance as at 31 December 2024	7,362,753	7,783,925	15,146,678

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.

24 Trade and other payables

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Trade payables	41,661,974	57,827,560
Accruals	25,253,576	31,265,854
Advance received from customer	498,447	2,399,434
VAT payable	19,435,433	18,510,995
Other payables	21,316,135	20,090,442
	108,165,565	130,094,285

a) Trade payables are non interest bearing and are normally settled on 30-60 day terms.

b) VAT liability is paid within a period of one month from date of recognition.

25 Owed to ultimate holding company and fellow subsidiaries

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Trade payables - group (refer note 28 (d))	396,545,209	305,305,109
Advance received - group (refer note 28 (d))	3,066,954	3,167,736
Interest payable on loan - group (refer note 28 (d))	-	539,082
	399,612,163	309,011,927

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

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****26 Financial instrument risk management**

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

The main risks arising from the company's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

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

Credit risk

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

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

Exposure to credit risk

At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet as disclosed under Note 16 to the financial statements.

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

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country profile of its trade receivables and contract assets on an on-going basis. The credit risk concentration profile of the Company's trade and contract assets at the reporting date is as follows:-

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
South africa	448,420,089	677,985,217
United states of America	14,070,175	37,287,153
Argentina	-	14,387
	462,490,264	715,286,757

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 16 (trade receivables).

Other amounts due from related corporations

The Company held other receivables from its related corporations (see note 13). These balances are lent to related corporations to satisfy short term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12 month expected credit loss basis. The amount of the allowance on other receivables from its related corporations are negligible.

Foreign currency risk

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

Foreign currency sensitivity

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

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Non-derivative foreign currency exposure as of 31 December 2024 and 31 December 2023 in major currencies is as below:

Currencies	31 December 2024		31 December 2023	
	Change in rate	Effect on profit before tax	Change in rate	Effect on profit before tax
		ZAR		ZAR
ARS	0.00%	-	-77.78%	219,458
AUD	-7.03%	46,802	5.82%	(48,982)
BRL	-20.02%	20,172	9.20%	(652,917)
COP	-10.94%	38,712	25.37%	(74,418)
CRC	0.00%	-	8.10%	(143,455)
DKK	-4.27%	3,516	5.81%	(504)
EUR	-4.25%	43,756	5.91%	(103,262)
GBP	0.18%	(2,211)	7.04%	(386,661)
HKD	0.00%	-	4.59%	(760)
NZD	0.00%	-	5.01%	(878)
PEN	0.20%	(21)	5.70%	(127,378)
PLN	0.00%	-	13.87%	(66,901)
RON	0.00%	-	5.33%	(7,774)
RUB	-16.36%	124,251	-10.42%	79,169
SEK	-7.28%	774	7.65%	(69,421)
SGD	0.00%	-	4.92%	(9,821)
TWD	0.00%	-	3.50%	(8,793)
USD	1.67%	339,970	4.11%	471,127
INR	-1.57%	(27)	0.00%	-

ARS	0.00%	-	77.78%	(219,458)
AUD	-7.03%	46,802	-5.82%	48,982
BRL	-20.02%	20,172	-9.20%	652,917
COP	-10.94%	38,712	-25.37%	74,418
CRC	0.00%	-	-8.10%	143,455
DKK	-4.27%	3,516	-5.81%	504
EUR	-4.25%	43,756	-5.91%	103,262
GBP	0.18%	(2,211)	-7.04%	386,661
HKD	0.00%	-	-4.59%	760
NZD	0.00%	-	-5.01%	878
PEN	0.20%	(21)	-5.70%	127,378
PLN	0.00%	-	-13.87%	66,901
RON	0.00%	-	-5.33%	7,774
RUB	-16.36%	124,251	10.42%	(79,169)
SEK	-7.28%	774	-7.65%	69,421
SGD	0.00%	-	-4.92%	9,821
TWD	0.00%	-	-3.50%	8,793
USD	1.67%	339,970	-4.11%	(471,127)
INR	-1.57%	(27)	0.00%	-

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.

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****26 Financial instrument risk management (continued)****Liquidity risk**

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

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

		1 Year	2-5 Year	Over 5 year	Total
As at 31 December 2024					
Owed to ultimate holding company fellow subsidiaries	Interest free	399,612,163	-	-	399,612,163
Trade and other payables	Interest free	108,165,565	-	-	108,165,565
As at 31 December 2023					
Owed to ultimate holding company fellow subsidiaries	Interest free	309,011,927	-	-	309,011,927
Trade and other payables	Interest free	130,094,285	-	-	130,094,285

Fair value

At December 31, 2024 the carrying amounts of cash, trade receivables, trade payables, approximate their fair values due to the short term maturities of these assets and liabilities.

27 Classification of financial instrument

	Loans and receivables / (financial liabilities at amortized cost) ZAR	Non-financial assets / liabilities ZAR	Total ZAR
As at 31 December 2024			
Assets			
Trade and other receivables	453,791,175	68,285,263	522,076,438
Cash and cash equivalents	582,286,665	-	582,286,665
Contract asset	488,606	-	488,606
Unbilled receivable	57,967,781	-	57,967,781
Finance lease receivable	46,022,779	-	46,022,779
Deferred contract cost	-	29,528,918	29,528,918
Total	1,140,557,006	97,814,181	1,238,371,187
Liabilities			
Owed to parent and fellow subsidiaries	399,612,163	-	399,612,163
Trade and other payables	88,730,132	19,435,433	108,165,565
Contract liabilities	-	191,360,464	191,360,464
Total	488,342,295	210,795,897	699,138,192

	Loans and receivables / (financial liabilities at amortized cost) ZAR	Non-financial assets / liabilities ZAR	Total ZAR
As at 31 December 2023			
Assets			
Trade and other receivables	626,305,013	52,011,835	678,316,848
Cash and cash equivalents	92,560,659	-	92,560,659
Contract asset	8,091,782	-	8,091,782
Unbilled receivable	22,957,851	-	22,957,851
Finance lease receivable	93,569,415	-	93,569,415
Deferred contract cost	-	64,507,330	64,507,330
Total	843,484,720	116,519,165	960,003,885
Liabilities			
Owed to parent and fellow subsidiaries	309,011,927	-	309,011,927
Trade and other payables	111,583,290	18,510,995	130,094,285
Contract liabilities	-	115,912,471	115,912,471
Total	420,595,217	134,423,466	555,018,683

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Notes to the financial statements

28 Related party transactions

(a) Related parties where control exists

Name of holding company

Anzospan Investments Proprietary Limited

Ultimate holding company

HCL Technologies Limited

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

Ultimate holding company

HCL Technologies Limited

Fellow subsidiaries

Axon Group Limited UK
 HCL Technologies Chile SpA
 Axon Solutions Limited
 HCL Technologies Colombia SAS
 C3i Europe Eood
 Geometric Europe, GmbH
 Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)
 HCL (New Zealand) Limited
 HCL (Brazil) Tecnologia Da Informacao EIRELI
 HCL (Ireland) Information Systems Limited
 HCL America Inc.
 HCL Argentina s.a.
 HCL Asia Pacific Pte Limited
 HCL Australia Services Pty. Limited
 HCL Axon Solutions (Shanghai) Co., Limited
 HCL Technologies Vietnam Company Limited
 HCL Canada Inc.
 HCL Comnet Systems and Services Limited
 HCL EAS Limited
 HCL GmbH
 HCL Great Britain Limited
 HCL Guatemala, Sociedad Anonima
 HCL Hong Kong SAR Limited
 HCL Hungary Kft
 HCL Istanbul Bilisim Teknolojileri Limited sirketi
 HCL Japan Limited
 HCL Latin America Holding LLC
 HCL America Solutions Inc.
 HCL Netherlands B.V.
 HCL Poland Sp.z.o.o.
 HCL Saudi Arabia LLC
 HCL Singapore Pte. Limited.
 HCL Technologies (Shanghai)
 HCL Technologies (Taiwan) Limited.
 HCL Technologies (Thailand) Limited.
 HCL Technologies (Vietnam) Company Limited
 HCL Technologies Angola (SU), LDA.
 HCL Technologies Austria GmbH
 HCL Technologies Beijing Co., Limited
 HCL Technologies Belgium BVBA
 HCL Technologies Bulgaria EOOD
 HCL Technologies BV

PT. HCL Technologies Indonesia
 HCL Technologies Italy S.p.A.
 HCL Technologies Corporate Services Limited
 HCL Technologies Czech Republic s.r.o.
 HCL Technologies Denmark ApS
 HCL Technologies Egypt Limited
 HCL Technologies Finland Oy
 HCL Technologies France
 HCL Technologies Germany GmbH
 HCL Technologies Greece Single Member P.C.
 HCL Technologies Lanka (Private) Limited
 HCL Technologies Lithuania UAB
 HCL Technologies Malaysia SDN BHD
 HCL Technologies Mexico S DE RL DE CV
 HCL Technologies Middle East FZ- LLC
 HCL Technologies Norway AS
 HCL Technologies Philippines Inc
 HCL Technologies Romania s.r.l.
 HCL Technologies S.A.C.
 HCL Technologies South Africa (Proprietary) Limited
 HCL Technologies Sweden
 HCL Technologies UK Limited

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Financial statements for the year ended 31 December 2024

Notes to the financial statements

28 Related party transactions (continued)

(c) Transactions with related parties for the year/period ended

Related party	Relationship	Nature of transaction	For the year/period ended	
			31 December 2024 ZAR	31 December 2023 ZAR
HCL Technologies Limited	Ultimate holding	Insurance	1,115,527	759,051
			1,115,527	759,051
HCL Technologies Limited	Ultimate holding	Marketing costs	-	1,106,069
HCL Technologies UK Limited	Fellow subsidiaries	Marketing costs	-	15,607,097
			-	16,713,166
HCL Technologies Limited	Ultimate holding	Consulting charges	581,134,935	731,633,914
HCL America Inc.	Fellow subsidiaries	Consulting charges	12,532,483	38,674,657
HCL Technologies UK Limited	Fellow subsidiaries	Consulting charges	11,926,805	10,121,955
HCL Technologies Germany Gmbh	Fellow subsidiaries	Consulting charges	1,855,286	5,903,918
HCL Technologies S.A.C.	Fellow subsidiaries	Consulting charges	1,102,557	4,097,963
HCL Australia Services Pty. Limited	Fellow subsidiaries	Consulting charges	4,978,488	4,053,222
HCL Technologies Finland Oy	Fellow subsidiaries	Consulting charges	284,034	2,269,868
HCL Technologies Costa Rica Limited	Fellow subsidiaries	Consulting charges	-	2,061,552
HCL Technologies South Africa (Proprietary) Limited	Fellow subsidiaries	Consulting charges	1,354,985	1,978,695
HCL Poland Sp.z.o.o.	Fellow subsidiaries	Consulting charges	-	1,702,838
HCL Technologies Lanka (Private) Limited	Fellow subsidiaries	Consulting charges	23,095,160	1,504,787
HCL Technologies Sweden	Fellow subsidiaries	Consulting charges	1,192,821	1,259,237
HCL Technologies Norway AS	Fellow subsidiaries	Consulting charges	(752,106)	1,228,681
HCL Singapore Pte. Limited.	Fellow subsidiaries	Consulting charges	-	1,027,409
HCL (Brazil) Tecnologia Da Informacao EIRELI	Fellow subsidiaries	Consulting charges	2,965	827,278
HCL Technologies Austria GmbH	Fellow subsidiaries	Consulting charges	155,200	783,420
HCL Technologies (Shanghai) Limited	Fellow subsidiaries	Consulting charges	3,797,948	649,480
HCL Technologies Romania s.r.l.	Fellow subsidiaries	Consulting charges	-	484,641
HCL Technologies (Vietnam) Company Limited	Fellow subsidiaries	Consulting charges	(228,079)	326,434
HCL Technologies (Thailand) Limited.	Fellow subsidiaries	Consulting charges	15,741	310,366
HCL Technologies (Taiwan) Limited	Fellow subsidiaries	Consulting charges	-	251,222
C3i Europe Eood	Fellow subsidiaries	Consulting charges	-	231,471
HCL Axon Solutions (Shanghai) Co., Limited	Fellow subsidiaries	Consulting charges	206,482	156,606
HCL Canada Inc.	Fellow subsidiaries	Consulting charges	(70)	78,424
HCL Technologies Lithuania UAB	Fellow subsidiaries	Consulting charges	560,641	75,184
HCL Technologies Malaysia SDN BHD	Fellow subsidiaries	Consulting charges	13,078	65,511
HCL Technologies Denmark ApS	Fellow subsidiaries	Consulting charges	31,610	58,164
HCL Latin America Holding LLC	Fellow subsidiaries	Consulting charges	-	39,013
HCL Hong Kong SAR Limited	Fellow subsidiaries	Consulting charges	-	36,696
HCL Technologies Italy S.p.A.	Fellow subsidiaries	Consulting charges	434,124	28,404
HCL (New Zealand) Limited	Fellow subsidiaries	Consulting charges	203,049	17,520
HCL Technologies Chile Spa	Fellow subsidiaries	Consulting charges	-	14,277
HCL Technologies Bulgaria EOOD	Fellow subsidiaries	Consulting charges	-	14,192
HCL Technologies France	Fellow subsidiaries	Consulting charges	72,203	10,888
HCL Guatemala, Sociedad Anonima	Fellow subsidiaries	Consulting charges	-	2,471
HCL America Solutions Inc.	Fellow subsidiaries	Consulting charges	601,403	-
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Consulting charges	387,033	-
HCL Singapore Pte. Limited	Fellow subsidiaries	Consulting charges	34,614	-
HCL (Ireland) Information Systems Limited	Fellow subsidiaries	Consulting charges	20,172	-
HCL Technologies Colombia SAS	Fellow subsidiaries	Consulting charges	19,645	-
HCL Technologies Beijing Co., Limited	Fellow subsidiaries	Consulting charges	17,978	-
HCL Saudi Arabia LLC	Fellow subsidiaries	Consulting charges	221,956	-

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Financial statements for the year ended 31 December 2024**Notes to the financial statements****28 Related party transactions (continued)****(c) Transactions with related parties for the year/period ended**

Related party	Relationship	Nature of transaction	For the year/period ended	
			31 December 2024 ZAR	31 December 2023 ZAR
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Consulting charges	486,504,851	-
HCL Hungary Kft	Fellow subsidiaries	Consulting charges	20,603	-
HCL Technologies Czech Republic s.r.o.	Fellow subsidiaries	Consulting charges	310,738	-
HCL Asia Pacific Pte Limited	Fellow subsidiaries	Consulting charges	263,332	-
HCL Technologies Egypt Limited	Fellow subsidiaries	Consulting charges	1,179,218	-
			1,133,551,883	811,980,359
HCL Technologies Limited	Ultimate holding	Rendering of services	4,112,741	5,001,825
HCL Technologies UK Limited	Fellow subsidiaries	Rendering of services	5,595,418	7,756,952
HCL America Inc.	Fellow subsidiaries	Rendering of services	673,452	22,577,492
HCL Technologies BV	Fellow subsidiaries	Rendering of services	5,059	4,497,436
HCL Technologies Angola (Su) Lda.	Fellow subsidiaries	Rendering of services	(2,923,809)	2,894,283
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Rendering of services	550,105	1,120,928
HCL Technologies Italy S.p.A.	Fellow subsidiaries	Rendering of services	-	1,059,894
HCL Australia Services Pty. Limited	Fellow subsidiaries	Rendering of services	2,901,361	1,054,654
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Rendering of services	16,937,848	873,208
HCL Saudi Arabia LLC	Fellow subsidiaries	Rendering of services	-	530,731
HCL Poland Sp.z.o.o.	Fellow subsidiaries	Rendering of services	-	471,888
HCL Technologies Denmark ApS	Fellow subsidiaries	Rendering of services	1,513,806	369,574
HCL Technologies Germany Gmbh	Fellow subsidiaries	Rendering of services	25,207	356,986
HCL Technologies Austria GmbH	Fellow subsidiaries	Rendering of services	-	343,935
HCL Japan Limited	Fellow subsidiaries	Rendering of services	-	335,663
HCL Technologies Colombia SAS	Fellow subsidiaries	Rendering of services	54,913	201,407
HCL (New Zealand) Limited	Fellow subsidiaries	Rendering of services	30,530	151,538
Filial Espanola De HCL Technoloiges S.L.	Fellow subsidiaries	Rendering of services	-	149,334
HCL Technologies France	Fellow subsidiaries	Rendering of services	-	97,025
HCL Technologies Middle East FZ- LLC	Fellow subsidiaries	Rendering of services	-	95,258
HCL Technologies Norway AS	Fellow subsidiaries	Rendering of services	-	71,925
HCL Technologies Greece Single Member P.C.	Fellow subsidiaries	Rendering of services	37,108	54,933
HCL Technologies Mexico	Fellow subsidiaries	Rendering of services	1,245,894	45,683
HCL Technologies S.A.C.	Fellow subsidiaries	Rendering of services	-	41,458
HCL Technologies Czech Republic s.r.o.	Fellow subsidiaries	Rendering of services	25,446	33,949
HCL Technologies Chile Spa	Fellow subsidiaries	Rendering of services	127,738	26,870
HCL Istanbul Bilisim Teknolojileri Limited sirketi	Fellow subsidiaries	Rendering of services	-	20,638
Sankalp Semiconductor Private Limited	Fellow subsidiaries	Rendering of services	-	16,624
HCL Technologies Malaysia SDN BHD	Fellow subsidiaries	Rendering of services	-	15,639
PT. HCL Technologies Indonesia	Fellow subsidiaries	Rendering of services	27,560	13,978
HCL Technologies Finland Oy	Fellow subsidiaries	Rendering of services	4,313,386	11,132
HCL Technologies Romania s.r.l.	Fellow subsidiaries	Rendering of services	36,325	-
HCL Technologies Belgium BVBA	Fellow subsidiaries	Rendering of services	262,925	-
HCL Hong Kong SAR Limited	Fellow subsidiaries	Rendering of services	35,674	-
HCL Technologies Sweden	Fellow subsidiaries	Rendering of services	489,051	-
			36,077,738	50,292,843

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Notes to the financial statements

28 Related party transactions (continued)

(d) Outstanding balances with related parties

Related party	Relationship	Nature of transaction	As at	
			31 December 2024 ZAR	31 December 2023 ZAR
Axon Group Limited UK	Fellow subsidiaries	Interest on loan	-	539,082
			-	539,082
HCL Technologies Limited	Ultimate holding	Advance received	-	815,384
HCL Technologies South Africa (Proprietary) Limited	Fellow subsidiaries	Advance received	3,066,954	2,316,860
HCL Technologies BV	Fellow subsidiaries	Advance received	-	26,508
HCL Technologies Finland Oy	Fellow subsidiaries	Advance received	-	8,984
			3,066,954	3,167,736
HCL Technologies South Africa (Proprietary) Limited	Fellow subsidiaries	Advance receivable	-	2,638,765
HCL Technologies BV	Fellow subsidiaries	Advance receivable	-	592,088
HCL Technologies Vietnam Company Limited	Fellow subsidiaries	Advance receivable	-	374,437
			-	3,605,290
HCL Technologies Limited	Fellow subsidiaries	Trade payables	100,123,371	272,126,286
HCL America Inc.	Fellow subsidiaries	Trade payables	2,724,791	12,515,929
HCL Technologies UK Limited	Fellow subsidiaries	Trade payables	2,154,752	5,859,010
HCL Technologies S.A.C.	Fellow subsidiaries	Trade payables	10,263	2,217,187
HCL Technologies Costa Rica Limited	Fellow subsidiaries	Trade payables	-	2,052,123
HCL (Brazil) Tecnologia Da Informacao EIRELI	Fellow subsidiaries	Trade payables	-	1,649,636
HCL Latin America Holding LLC	Fellow subsidiaries	Trade payables	-	1,541,765
HCL Australia Services Pty. Limited	Fellow subsidiaries	Trade payables	664,577	1,347,352
HCL Technologies Germany Gmbh	Fellow subsidiaries	Trade payables	-	1,177,317
HCL Technologies Lanka (Private) Limited	Fellow subsidiaries	Trade payables	2,563,798	993,730
HCL Technologies Sweden	Fellow subsidiaries	Trade payables	154	959,547
HCL Technologies Norway AS	Fellow subsidiaries	Trade payables	-	796,174
HCL Poland Sp.z.o.o.	Fellow subsidiaries	Trade payables	-	482,238
HCL Technologies (Vietnam) Company Limited	Fellow subsidiaries	Trade payables	-	326,434
HCL Technologies Finland Oy	Fellow subsidiaries	Trade payables	-	280,438
HCL Technologies (Taiwan) Limited	Fellow subsidiaries	Trade payables	-	251,222
HCL Singapore Pte. Limited	Fellow subsidiaries	Trade payables	-	199,792
HCL Technologies Romania s.r.l.	Fellow subsidiaries	Trade payables	-	145,795
HCL Argentina s.a.	Fellow subsidiaries	Trade payables	-	143,373
HCL Canada Inc.	Fellow subsidiaries	Trade payables	-	78,424
HCL Axon Solutions (Shanghai) Co., Limited	Fellow subsidiaries	Trade payables	-	53,091
HCL Technologies Italy S.p.A.	Fellow subsidiaries	Trade payables	434,124	28,404
HCL (New Zealand) Limited	Fellow subsidiaries	Trade payables	-	17,520
HCL Hong Kong SAR Limited	Fellow subsidiaries	Trade payables	-	16,567
HCL Technologies Austria GmbH	Fellow subsidiaries	Trade payables	-	13,379
HCL Technologies Greece Single Member P.C.	Fellow subsidiaries	Trade payables	-	12,543
HCL Technologies France	Fellow subsidiaries	Trade payables	-	10,961
HCL Technologies Denmark ApS	Fellow subsidiaries	Trade payables	-	8,728
Axon Solutions Limited	Fellow subsidiaries	Trade payables	144	144
HCL Technologies Malaysia SDN BHD	Fellow subsidiaries	Trade payables	3,001	-
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Trade payables	287,516,883	-
HCL Technologies (Shanghai) Limited	Fellow subsidiaries	Trade payables	1,569,030	-
HCL Technologies Beijing Co., Limited	Fellow subsidiaries	Trade payables	(12,780)	-
HCL Technologies South Africa (Proprietary) Limited	Fellow subsidiaries	Trade payables	(1,418,020)	-
HCL Technologies Egypt Limited	Fellow subsidiaries	Trade payables	211,121	-
			396,545,209	305,305,110

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28 Related party transactions (continued)

(d) Outstanding balances with related parties

Related party	Relationship	Nature of transaction	As at	
			31 December 2024 ZAR	31 December 2023 ZAR
HCL Technologies Limited	Ultimate holding	Unbilled receivable	232,415	271,584
HCL America Inc.	Fellow subsidiaries	Unbilled receivable	815,185	1,962,084
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Unbilled receivable	9,549,664	
HCL Technologies UK Limited	Fellow subsidiaries	Unbilled receivable	401,307	
HCL Technologies Finland Oy	Fellow subsidiaries	Unbilled receivable	300,937	
HCL Australia Services Pty. Limited	Fellow subsidiaries	Unbilled receivable	205,437	
HCL Technologies Belgium BVBA	Fellow subsidiaries	Unbilled receivable	16,858	
HCL Technologies Denmark ApS	Fellow subsidiaries	Unbilled receivable	12,950	
			11,534,753	2,233,668
HCL Technologies Limited	Ultimate holding	Trade receivables	473,926	654,723
HCL America Inc.	Fellow subsidiaries	Trade receivables	1,022,137	57,820,791
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Trade receivables	-	6,907,051
HCL Technologies Angola (Su) Lda.	Fellow subsidiaries	Trade receivables	1,112,260	3,975,885
HCL (Brazil) Technologia Da Informacao EIRELI	Fellow subsidiaries	Trade receivables	1,670,557	1,668,190
HCL Technologies UK Limited	Fellow subsidiaries	Trade receivables	1,059,811	1,333,146
HCL Technologies Colombia SAS	Fellow subsidiaries	Trade receivables	1,191,660	1,297,192
HCL Technologies Italy S.p.A.	Fellow subsidiaries	Trade receivables	-	1,059,894
HCL Technologies South Africa (Proprietary) Limited	Fellow subsidiaries	Trade receivables	9,519	1,016,635
HCL Technologies (Shanghai) Limited	Fellow subsidiaries	Trade receivables	-	638,824
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Trade receivables	148,894	598,142
HCL Saudi Arabia LLC	Fellow subsidiaries	Trade receivables	-	530,731
HCL Poland Sp.z.o.o.	Fellow subsidiaries	Trade receivables	-	471,888
HCL Australia Services Pty. Limited	Fellow subsidiaries	Trade receivables	454,973	443,608
HCL Technologies Denmark ApS	Fellow subsidiaries	Trade receivables	25,486	350,701
HCL Japan Limited	Fellow subsidiaries	Trade receivables	-	335,663
HCL Latin America Holding LLC	Fellow subsidiaries	Trade receivables	-	324,236
PT. HCL Technologies Indonesia	Fellow subsidiaries	Trade receivables	-	256,658
HCL Argentina s.a.	Fellow subsidiaries	Trade receivables	32,134	190,174
HCL Technologies Egypt Limited	Fellow subsidiaries	Trade receivables	-	177,597
HCL Istanbul Bilisim Teknolojileri Limited sirketi	Fellow subsidiaries	Trade receivables	-	161,867
Filial Espanola De HCL Technoloiges S.L.	Fellow subsidiaries	Trade receivables	-	146,592
HCL Technologies France	Fellow subsidiaries	Trade receivables	-	141,503
HCL Technologies Germany Gmbh	Fellow subsidiaries	Trade receivables	-	132,845
HCL Technologies Austria GmbH	Fellow subsidiaries	Trade receivables	-	127,443
HCL Technologies Mexico	Fellow subsidiaries	Trade receivables	-	64,002
HCL Technologies S.A.C.	Fellow subsidiaries	Trade receivables	-	31,691
HCL Technologies Chile Spa	Fellow subsidiaries	Trade receivables	-	26,377
Axon Solutions Limited	Fellow subsidiaries	Trade receivables	5,913	5,913
HCL Technologies Finland Oy	Fellow subsidiaries	Trade receivables	574,834	-
HCL Technologies Vietnam Company Limited	Fellow subsidiaries	Trade receivables	380,699	-
HCL Technologies Belgium BVBA	Fellow subsidiaries	Trade receivables	47,680	-
			8,210,483	80,889,962
HCL Technologies Limited	Ultimate holding	Deferred contract cost	18,204,931	41,235,693
			18,204,931	41,235,693

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2024, the company has not recorded any impairment of receivables relating to amounts owed by related parties.

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Notes to the financial statements

29 Remuneration to directors and key management personnel

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

Executive directors' (Balungile Phili) fees, appointed on 1 August 2019, reflect their services as directors and services on various sub-committees on which they serve. Total remuneration paid for their services in current year is ZAR 1,623,282 (PY ZAR 1,361,103).

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

30 Commitments

Capital commitments

Capital commitment are for estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at the balance sheet date December 31, 2024 amounting Nil (2023: NIL).

31 Retirement benefits

All eligible employees are members of the HCL Axon S.A. 319 Proprietary Ltd Pension Fund defined contribution plan administered by Liberty. The plan is governed by the Pension Funds Act of 1956. Pension contributions are made by employees with HCL Axon S.A. 319 Proprietary Ltd contributing an equal amount plus administration costs of the fund. Pension costs relating to contributions recognised in the current financial year are reflected under employee benefits in Note 4.

32 Subsequent events

Other than the matters mentioned below, there have been no significant subsequent events since the year ended 31 December'24 that would have material impact on the statement of financial position of the Company as shown in these financial statements.

33 Going concern

The company earned profit for the year ended 31 December 2024 of R 123,795,937 as compared to profit in last 9 months ended 31 December 2023 – R 94,006,591 and as at that date its total assets exceeded its total liabilities by R 727,072,054 (31 December 2023 – R 603,276,117). In addition, current assets exceed current liabilities by R 523,962,620 (31 December 2023 – R 402,111,699). Based on our current knowledge and available information, we do not expect impact on our ability to continue as a going concern in the future. Accordingly, the financial statements have been prepared on a going concern basis.