

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

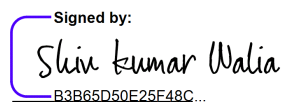
Separate Financial Statements for the year ended 31 December 2024

Audited financial statements
in compliance with Companies Act of South Africa

HCL Technologies South Africa Proprietary Limited
(Registration number 2010/015378/07)
Separate Financial Statements for the year ended 31 December 2024

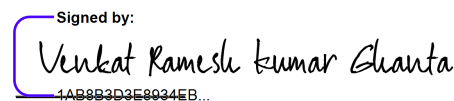
General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Software development and related Maintenance Services.
Directors	Prateek Aggarwal (Indian citizen) (resigned on 6 September 2024) Raghu Raman Lakshmanan (USA citizen) Shiv Kumar Walia (UK citizen) Venkat Ramesh Kumar Ghanta (UK citizen) (appoint on 6 September 2024)
Registered office	GMI House Harlequins Office Park 164 Totius Street Groenkloof 0027 Pretoria 0027
Business address	A1, The Crescent East, No.3, Eglin Road, Sunninghill, 2157
Postal address	P.O. BOX 619, Pretoria - 0001
Holding company	Anzospans Investments Proprietary Limited Incorporated in the Republic of South Africa
Ultimate Holding company	HCL Technologies Limited Incorporated in India
Bankers	Standard Chartered Bank
Auditors	KPMG Inc. Chartered Accountants (S.A.) Registered Auditors
Company registration number	2010/015378/07
Preparer of financial statements	Sanchit Bansal (Associate Chartered Accountant) (India)

Signed by:

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Shiv Kumar Walia

Authorised Director

Signed by:

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Venkat Ramesh Kumar Ghanta

Authorised Director

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General information (continued)

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Directors' responsibilities

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

The separate annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard (SMEs Accounting Standard) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

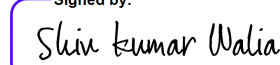
The directors have reviewed the company's cash flow forecast for the year ended 31 December 2024 till the date of signing, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

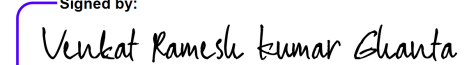
Approval of the audited separate annual financial statements

The audited separate annual financial statements set out on pages 9 to 33 were approved by the board of directors on 15 May 2025.

Signed by:

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Shiv Kumar Walia

Authorized Director

Signed by:

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Venkat Ramesh Kumar Ghanta

Authorized Director

HCL Technologies South Africa Proprietary Limited
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Separate Financial Statements for the year ended 31 December 2024

Directors' report

1. Incorporation

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

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

2. Business and operations

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

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

3. Review of operations

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

Net profit for the year ended 31 December 2024 was R 1,396,093 (2023: Profit R 52,214,993)

4. Share capital

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

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

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

5. Directors

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

Name	Type	Date of appointment/resign	Citizenship
Venkat Ramesh Kumar Ghanta	Non-Executive Director	6 September 2024 (appointed)	UK
Raghu Raman Lakshmanan	Non-Executive Director	14 September 2010 (appointed)	USA
Shiv Kumar Walia	Non-Executive Director	3 August 2023 (appointed)	UK
Prateek Aggarwal	Non-Executive Director	6 September 2024 (resigned)	India

6. Holding company

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

7. Ultimate holding company

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

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Directors' report (continued)

8. Going concern

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

9. Dividends

No dividend was paid during the last year ended 31 December 2024 to the shareholders (2023: R52,000,000).

10. Auditors

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

11. Subsequent Event

As per Note 24 to the financial statements, no fraud or material circumstances has occurred between the accounting date and date of this report which significantly affect the financial position of the company or the results of its operations.



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Independent Auditor's Report

To the shareholders of HCL Technologies South Africa Proprietary Limited

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of HCL Technologies South Africa Proprietary Limited (the Company) set out on pages 9 to 33, 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 South Africa Proprietary 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 for SMEs Accounting Standard (SMEs Accounting Standard) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "HCL Technologies South Africa Proprietary Limited Annual Financial Statements for the year ended 31 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 for SMEs Accounting Standard (SMEs Accounting Standard) 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 South Africa Proprietary Limited

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Separate 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	18,382,057	5,872,150
Cost of sales		(16,069,739)	(4,987,169)
Gross profit		2,312,318	884,981
Other income	4	597,220	52,593,814
Provision for bad debts	3	(133,712)	(121,573)
Administrative expenses		(888,516)	(752,342)
Operating profit		1,887,310	52,604,880
Finance cost	3	(55,679)	(39,138)
Profit before taxation		1,831,631	52,565,742
Taxation	5	(435,538)	(350,749)
Profit after taxation		1,396,093	52,214,993
Other comprehensive income		-	-
Total comprehensive income for the year/period		1,396,093	52,214,993

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Separate 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			
Investment	6	263,250,000	263,250,000
Finance lease receivable	14	165,276	312,947
Deferred contract cost	7	275	400
Total non-current assets		263,415,551	263,563,347
Current assets			
Cash and cash equivalents	9 (a)	1,358,969	13,160,794
Deposit with banks	9 (b)	8,000,000	-
Due from fellow subsidiaries	10	3,965,375	4,195,753
Inventories	11	52,209	2,582
Trade receivables	13	1,300,580	577,808
Other receivables	12	652,779	1,145,199
Finance lease receivables	14	123,879	148,310
Unbilled revenue		139,610	-
Unbilled revenue from ultimate holding and fellow subsidiaries	21 (d)	10,910	80,331
Advance tax	5	69,700	-
Deferred contract cost	7	128	130
Total current assets		15,674,139	19,310,907
TOTAL ASSETS		279,089,690	282,874,254
EQUITY			
Share capital	15	266,225,000	266,225,000
Retained earnings		5,775,263	4,379,170
TOTAL EQUITY		272,000,263	270,604,170
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	8	771,387	133,627
		771,387	133,627
Current liabilities			
Lease liabilities	16	-	550
Trade and other payables	17	2,312,112	2,265,972
Due to fellow subsidiaries	18	4,005,928	9,289,220
Income tax payable	5	-	580,715
Total current liabilities		6,318,040	12,136,457
TOTAL LIABILITIES		7,089,427	12,270,084
TOTAL EQUITY AND LIABILITIES		279,089,690	282,874,254

HCL Technologies South Africa Proprietary Limited

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

	Share capital		Retained earnings	Total equity
	Class A ZAR	Class B ZAR	ZAR	ZAR
Balance as at 1 April 2023	136,890,000	129,335,000	4,164,177	270,389,177
Profit for the period	-	-	52,214,993	52,214,993
Total comprehensive income for the period	-	-	52,214,993	52,214,993
Dividend paid (Note-1)	-	-	(52,000,000)	(52,000,000)
Balance as at 31 December 2023	136,890,000	129,335,000	4,379,170	270,604,170

Note-1- During the year the company has paid an interim dividend of ZAR 52,000,000. Amount of dividend paid to Anzospan Investments Pty Ltd. on 22-12-2023 at the rate of ZAR 15.35 per Class A equity share of face value ZAR 1 each amounts to ZAR 49,504,000 and dividend paid to HCL BEE Trust and HCL Ownership Trust on 22-12-2023 at the rate of ZAR 0.84 per equity share of face value ZAR 1 each amounts to ZAR 1,248,000 each.

	Share capital		Retained earnings	Total equity
	Class A ZAR	Class B ZAR	ZAR	ZAR
Balance as at 1 January 2024	136,890,000	129,335,000	4,379,170	270,604,170
Profit for the year	-	-	1,396,093	1,396,093
Total comprehensive income for the year	-	-	1,396,093	1,396,093
Balance as at 31 December 2024	136,890,000	129,335,000	5,775,263	272,000,263

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Separate 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	1,831,631	52,565,742
Adjustment for:		
Interest income	(688,587)	(309,158)
Unrealized foreign currency losses and gains	170,571	153,804
Provision for bad debts	133,712	121,573
Interest expenses	5,198	631
Cash flows before working capital changes	1,452,525	52,532,593
Net change in		
Trade receivables	(663,535)	171,270
Inventories	(49,628)	44,456
Other receivables	497,706	(570,638)
Due from fellow subsidiaries	217,183	3,404,342
Trade and other payables	46,870	(1,334,957)
Due to fellow subsidiaries	(5,373,502)	341,951
Deferred contract cost	126	94
Cash generated from operations	(3,872,255)	54,589,111
Income tax paid (net)	(456,756)	-
Net cash (used in)/ from operating activities	(4,329,011)	54,589,111
Cash flows from investing activities		
Investment in bank deposits	(8,000,000)	-
Interest income	688,587	309,158
Net cash (used in)/ from investing activities	(7,311,413)	309,158
Cash flows from financing activities		
Payment of lease liabilities	(161,401)	(107,052)
Dividend paid	-	(52,000,000)
Net cash flow used in financing activities	(161,401)	(52,107,052)
Net (decrease)/increase in cash and cash equivalents	(11,801,825)	2,791,216
Cash and cash equivalents at the beginning of the year	13,160,794	10,369,578
Cash and cash equivalents at the end of the year/period*	1,358,969	13,160,794

*Cash and cash equivalent represent balance with bank.

HCL Technologies South Africa Proprietary Limited

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Separate Financial Statements for the year ended 31 December 2024**Material accounting policies**

1 Summary of material accounting policies**1.1 Presentation of audited separate annual financial statements**

The separate annual financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard (SMEs Accounting Standard) and the Companies Act of South Africa. The separate annual financial statements have been prepared on the historical cost basis and incorporate the material accounting policies set out below. The company has presented the financial statements in Rands, which is also its functional currency.

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

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.

1.2 Financial instruments**Financial assets**

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

Cash and cash equivalents

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

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

Financial assets at amortized cost

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

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

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

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

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

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

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Separate Financial Statements for the year ended 31 December 2024**Material accounting policies**

1.2 Financial instruments (continued)**Financial assets (continued)***Financial assets at Fair Value through Other Comprehensive Income (OCI)*

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

Financial assets at Fair Value through Profit and Loss

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

Equity investments

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

Derecognition of financial assets

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

Impairment of financial assets

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

Financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortized cost

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

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Material accounting policies

1.2 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities at amortized cost

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

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

Derecognition

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

Offsetting of financial instruments

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

1.3 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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Material accounting policies

1.4 Leases

Company as a lessee

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

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

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

Company as a lessor

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

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

1.5 Plant and equipment

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

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

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

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

1.6 Deferred contract costs

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

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1.7 Equity instruments

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

1.8 Revenue 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.

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

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

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.

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.

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1.9 Cost of Sales

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

1.10 Provisions

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

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

1.11 Investments

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

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

1.12 Translation of foreign currencies**Foreign currency transactions**

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

At the end of each reporting period:

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

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

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Material accounting policies

1.13 Significant accounting judgements and estimates

Judgements

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

Estimation uncertainty

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

Depreciation rates

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

Trade accounts receivable

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

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Notes to the financial statements

	12 months ended 31 December 2024	9 months ended 31 December 2023
	ZAR	ZAR
2 Revenue from contract with customers		
Service income	17,026,020	5,545,535
Sale of goods*	1,583	260,545
Sale under financial lease	1,354,454	66,070
	18,382,057	5,872,150
*Sale of goods comprises of sale of IT hardware items to customers		
Timing of revenue recognition		
Goods transferred at a point in time	1,356,037	326,615
Services transferred over time	17,026,020	5,545,535
Total revenue from contract with customers	18,382,057	5,872,150

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 28 millions (31st December 2023, ZAR 22 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.

3 Profit before income tax includes the following specific expenses:

Finance costs

Bank charges	50,481	38,507
Interest expense on lease liability	5,198	631
Total finance costs	55,679	39,138
Provision for bad debts	133,712	121,573
Consulting charges	11,132,413	1,839,002
Cost of goods sold	24,615	241,281
Repair and maintenance	383,939	999,567
Auditor's remuneration	259,660	178,693

4 Other income

Interest on customer receivables	81,738	28,606
Interest on fixed deposit	606,849	280,551
Dividend income	-	52,000,000
Exchange differences (net)	(91,367)	284,657
	597,220	52,593,814

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Notes to the financial statements

	12 months ended 31 December 2024	9 months ended 31 December 2023
	ZAR	ZAR
5 Income tax expense		
The major components of income tax expenses:		
Current income tax charge	486,017	-
Others	(110,529)	165,575
Prior year under provision	(577,711)	-
Deferred tax expense/(benefit)	57,937	185,174
Deferred tax prior year under provision	579,824	-
	435,538	350,749
Reconciliation of tax expense and the accounting profit		
Accounting profit before tax from continuing operations	1,831,631	52,565,742
Accounting profit before income tax	1,831,631	52,565,742
Statutory income tax rate of 27% (2023: 27%)	494,540	14,192,750
	494,540	14,192,750
Adjustments in respect of current income tax of previous years	(577,711)	-
Adjustments in respect of deferred income tax of previous years	579,824	-
Exempt income : dividend	-	(14,040,000)
Others	(61,115)	196,884
Impact of tax rate change	-	1,115
Income tax expense reported in the statement of profit or loss	435,538	350,749
Movements in current income tax liabilities:		
Balance at beginning of financial year	580,715	423,705
Income tax paid	(860,931)	-
	(280,216)	423,705
Prior year's over provision	(577,711)	-
Current financial year's tax	486,017	-
Currency translation difference	50,398	(8,564)
Refund received	203,687	-
New certificates	48,125	-
Write off old WHT	-	165,574
Balance at end of financial year/period	(69,700)	580,715

6 Investments

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Investment in subsidiaries*	263,250,000	263,250,000
	263,250,000	263,250,000

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

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7 Deferred contract cost

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Non Current		
Deferred contract cost	275	400
	275	400
Current		
Deferred contract cost	128	130
	128	130
	403	530

8 Deferred tax assets/liabilities

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	48,247	21,861	70,108
Deferred revenue	2,411	19,902	22,313
Provision for professional fees	-	3,087	3,087
Loss	579,681	(579,681)	-
Provision for doubtful debts	19,695	21,661	41,356
Gross deferred tax assets (A)	650,034	(513,170)	136,864
Deferred tax liabilities			
Finance lease receivables	601,817	288,642	890,459
Lease	17,792	-	17,792
Prepaid expense	164,052	(164,052)	-
Gross deferred tax liabilities (B)	783,661	124,590	908,251
Net deferred tax assets/(liabilities) (A-B)	(133,627)	(637,760)	(771,387)

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	41,954	6,293	48,247
Deferred revenue	534,248	(531,837)	2,411
Provision for professional fees	17,498	(17,498)	-
Loss	-	579,681	579,681
Provision for doubtful debts	-	19,695	19,695
Gross deferred tax assets (A)	593,700	56,334	650,034
Deferred tax liabilities			
Finance lease receivables	524,360	77,457	601,817
Lease	17,792	-	17,792
Prepaid expense	-	164,052	164,052
Gross deferred tax liabilities (B)	542,152	241,509	783,661
Net deferred tax assets/(liabilities) (A-B)	51,548	(185,175)	(133,627)

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9 Cash and cash equivalents

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
(a) Cash and cash equivalents		
Balances with banks	1,358,969	13,160,794
	1,358,969	13,160,794
(b) Deposit with banks		
Short term deposits	8,000,000	-
		-

10 Due from fellow subsidiaries

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Trade receivables - group (refer note 21(d))	3,965,375	4,195,753
	3,965,375	4,195,753

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

11 Inventories

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Inventory in hand	69,645	5,884,989
Less: Provision for inventory	(17,436)	(5,882,407)
	52,209	2,582

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.

12 Other receivables

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Prepayments - current	-	869,205
Interest on investments	116,997	19,200
VAT receivable	535,782	256,794
	652,779	1,145,199

13 Trade receivables

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Trade receivables	1,555,866	699,381
Less: Provision for doubtful debt	(255,286)	(121,573)
	1,300,580	577,808

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

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13 Trade and other receivables (continued)

As at 31 December 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
1,555,866	173,802	1,191,350	22,228	168,486

As at 31 December 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
699,381	566,479	2,100	111,093	19,709

14 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	179,797	123,879	55,918
2026	83,369	71,397	11,972
2027	94,818	93,879	939
2028	-	-	-
Total	357,984	289,155	68,829

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	169,638	148,310	21,328
2025	148,378	141,986	6,392
2026	140,777	138,782	1,995
2027	32,281	32,179	102
Total	491,074	461,257	29,817

15 Equity share capital

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Authorized 10,000,000 each Class A and Class B no par value shares		
Issued, subscribed and fully paid up 3,224,000 Class A no par value. 2,976,000 Class B no par value.	136,890,000 129,335,000 266,225,000	136,890,000 129,335,000 266,225,000

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16 Lease liabilities

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Capital lease obligation - current	-	550
	-	550

The reconciliation of lease liabilities is as follows:

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Balance as at the beginning of the year	550	106,970
Addition of lease liabilities	155,653	-
Amounts recognized in statement of profit and loss as interest expense	5,198	631
Payment of lease liabilities	(161,401)	(107,052)
Balance as at the end of the year/period	-	550

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

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Not later than one year	-	550
Total lease payments	-	550
Imputed interest	-	-
Total lease liabilities	-	550

17 Trade and other payables

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Trade payables	1,032,834	493,505
Accrued expenses	1,205,836	520,621
Other payables	73,442	1,251,846
	2,312,112	2,265,972

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

18 Due to fellow subsidiaries

	As at	
	31 December 2024 ZAR	31 December 2023 ZAR
Advances from fellow subsidiaries	-	5,284,092
Accrued expenses	2,769,204	581,193
Payables	1,236,724	3,423,935
	4,005,928	9,289,220

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

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Separate Financial Statements for the year ended 31 December 2024**Notes to the financial statements****19 Financial instrument risk management**

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

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

The board of directors reviews and 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 13 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

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
South Africa	5,261,475	4,566,131
Uganda	4,480	207,430
	5,265,955	4,773,561

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

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Separate Financial Statements for the year ended 31 December 2024**Notes to the financial statements****19 Financial instrument risk management (continued)****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.

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
USD	1.67%	68,775	4.10%	(102,440)
BRL	-20.02%	1,925	9.20%	(21,521)
AED	0.00%	-	25.37%	(9,772)
COP	0.00%	-	5.81%	(610)
DKK	0.00%	-	7.04%	16,571
GBP	0.18%	8	3.96%	215
UGX	4.55%	8	4.11%	1,711
USD	-1.67%	(68,775)	-4.10%	102,440
BRL	20.02%	(1,925)	-9.20%	21,521
AED	0.00%	-	-25.37%	9,772
COP	0.00%	-	-5.81%	610
DKK	0.00%	-	-7.04%	(16,571)
GBP	-0.18%	(8)	-3.96%	(215)
UGX	-4.55%	(8)	-4.11%	(1,711)

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

Liquidity risk

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

Financial liabilities

	Year 1	Year 2-5	Over 5 year	Total
As at 31 December 2024				
Lease liabilities	-	-	-	-
Trade and other payables	2,312,112	-	-	2,312,112
Owed to fellow subsidiaries	4,005,928	-	-	4,005,928
As at 31 December 2023				
Lease liabilities	550	-	-	550
Trade and other payables	2,265,972	-	-	2,265,972
Owed to fellow subsidiaries	9,289,220	-	-	9,289,220

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Separate Financial Statements for the year ended 31 December 2024**Notes to the financial statements****19 Financial instrument risk management (continued)****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.

20 Classification of Financial Instrument

As at 31 December 2024

	Loans and receivables / (financial liabilities at amortized cost) ZAR	Non-financial assets / liabilities ZAR	Total ZAR
Financial assets			
Cash and cash equivalents	1,358,969	-	1,358,969
Deposit with banks	8,000,000	-	8,000,000
Trade and other receivables	1,300,580	652,779	1,953,358
Receivable from fellow subsidiaries	3,965,375	-	3,965,375
Unbilled receivable	150,520	-	150,520
Finance lease receivable	289,155	-	289,155
Deferred contract cost	-	403	403
Total	15,064,599	653,182	15,717,781
Financial liabilities			
Trade and other payables	2,312,112	-	2,312,112
Owed to parent and fellow subsidiaries	4,005,928	-	4,005,928
Total	6,318,040	-	6,318,040

As at 31 December 2023

	Loans and receivables / (financial liabilities at amortized cost) ZAR	Non-financial assets / liabilities ZAR	Total ZAR
Financial assets			
Cash and cash equivalents	13,160,794	-	13,160,794
Trade and other receivables	577,808	1,145,199	1,723,007
Receivable from fellow subsidiaries	4,195,753	-	4,195,753
Unbilled receivable	80,331	-	80,331
Finance lease receivable	461,257	-	461,257
Deferred contract cost	-	530	530
Total	18,475,943	1,145,729	19,621,672
Financial liabilities			
Trade and other payables	2,265,972	-	2,265,972
Owed to parent and fellow subsidiaries	9,289,220	-	9,289,220
Total	11,555,192	-	11,555,192

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Notes to the financial statements

21 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 year/period

Ultimate holding company

HCL Technologies Limited

Fellow subsidiaries

Axon Solutions Limited
 HCL (Brazil) Tecnologia Da Informacao
 HCL (Ireland) Information Systems Limited
 HCL (New Zealand) Limited
 HCL America Inc.
 HCL Argentina S.A
 HCL Australia Services Pty. Limited
 HCL Axon Solutions (Shanghai) Co., Limited
 HCL Hong Kong SAR Limited
 HCL Hungary Kft
 HCL Istanbul Bilisim Teknolojileri Limited
 HCL Japan Limited
 HCL Latin America Holding LLC
 HCL Poland Sp.z.o.o.
 HCL Saudi Arabia LLC
 HCL Singapore Pte. Limited
 HCL Technologies S.A.
 HCL Technologies (Shanghai) Limited
 HCL Technologies (Taiwan) Limited.
 HCL Canada Inc.
 HCL Technologies (PTY) Limited.
 HCL Technologies Belgium BVBA
 HCL Technologies Greece Single Member P.C.
 HCL Technologies Sweden
 HCL Technologies BV
 HCL Technologies Chile SpA
 HCL Technologies Colombia SAS
 HCL Technologies Corporate Services Limited
 HCL Technologies Czech Republic s.r.o.
 HCL Technologies Denmark ApS
 HCL Technologies Egypt Limited
 HCL Technologies Finland Oy
 HCL Technologies Germany GmbH
 HCL Technologies Italy S.p.A.
 HCL Technologies Malaysia SDN BHD
 HCL Technologies Norway AS
 HCL Technologies Philippines Inc
 HCL Technologies Sweden
 HCL Technologies UK Limited
 HCL Technologies Vietnam Company Limited

HCL Technologies Costa Rica SRL
 HCL Technologies Austria GmbH
 HCL Technologies Estonia OU
 HCL Technologies Solutions GmbH
 PT. HCL Technologies Indonesia

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Separate Financial Statements for the year ended 31 December 2024

Notes to the financial statements

21 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	31 December 2023
			ZAR	ZAR
HCL Technologies Limited	Holding company	Rendering of services	1,627,797	44,458
HCL Technologies (PTY) Limited	Fellow subsidiaries	Rendering of services	2,773,467	1,978,695
HCL Technologies Malaysia SDN BHD	Fellow subsidiaries	Rendering of services	(41,301)	278,457
HCL America Inc.	Fellow subsidiaries	Rendering of services	1,769,389	935,343
HCL Australia Services Pty. Limited	Fellow subsidiaries	Rendering of services	24,110	-
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Rendering of services	2,485,512	142,519
HCL Canada Inc.	Fellow subsidiaries	Rendering of services	47,983	-
HCL Technologies (Thailand) Limited	Fellow subsidiaries	Rendering of services	-	71,963
HCL (Brazil) Technologia Da Informacao EIRELI	Fellow subsidiaries	Rendering of services	-	64,091
HCL Technologies Colombia SAS	Fellow subsidiaries	Rendering of services	-	52,511
HCL Technologies Philippines Inc	Fellow subsidiaries	Rendering of services	72,538	50,874
HCL Technologies Belgium BVBA	Fellow subsidiaries	Rendering of services	-	34,916
HCL Japan Limited	Fellow subsidiaries	Rendering of services	31,039	-
HCL Technologies Italy S.p.A.	Fellow subsidiaries	Rendering of services	-	30,456
PT. HCL Technologies Indonesia	Fellow subsidiaries	Rendering of services	15,120	29,353
HCL Hong Kong SAR Limited	Fellow subsidiaries	Rendering of services	-	28,742
HCL Technologies UK Limited	Fellow subsidiaries	Rendering of services	3,419,501	25,550
HCL Technologies Estonia OU	Fellow subsidiaries	Rendering of services	16,298	19,315
HCL Asia Pacific Pte Limited	Fellow subsidiaries	Rendering of services	102,296	17,941
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Rendering of services	11,960	15,033
HCL Technologies Denmark ApS	Fellow subsidiaries	Rendering of services	193,443	13,002
HCL Technologies Luxembourg S.a.r.l	Fellow subsidiaries	Rendering of services	-	9,968
HCL Technologies Egypt Limited	Fellow subsidiaries	Rendering of services	53,126	(7,116)
HCL Technologies Trinidad And Tobago Limited	Fellow subsidiaries	Rendering of services	68,350	-
HCL Technologies Vietnam Company Limited	Fellow subsidiaries	Rendering of services	52,718	-
HCL Technologies (Shanghai) Limited	Fellow subsidiaries	Rendering of services	45,676	-
HCL Latin America Holding LLC	Fellow subsidiaries	Rendering of services	21,394	-
HCL Hungary Kft	Fellow subsidiaries	Rendering of services	20,403	-
HCL Technologies Norway AS	Fellow subsidiaries	Rendering of services	7,292	-
HCL Technologies Greece Single Member P.C.	Fellow subsidiaries	Rendering of services	1,751	-
HCL Technologies Solutions GmbH	Fellow subsidiaries	Rendering of services	980	-
HCL Technologies Sweden	Fellow subsidiaries	Rendering of services	2,640	-
			12,823,482	3,836,070
HCL Technologies Limited	Holding company	Insurance expenses	40,074	-
			40,074	-
HCL Technologies Limited	Holding company	Consulting charges	2,220,982	472,405
HCL America Inc.	Fellow subsidiaries	Consulting charges	2,337,452	679,405
HCL Axon Solutions (Shanghai) Co., Limited	Fellow subsidiaries	Consulting charges	-	140,542
HCL Technologies Chile Spa	Fellow subsidiaries	Consulting charges	-	84,547
HCL Technologies Austria GmbH	Fellow subsidiaries	Consulting charges	-	70,817
HCL Technologies Belgium BVBA	Fellow subsidiaries	Consulting charges	-	51,431
HCL Australia Services Pty. Limited	Fellow subsidiaries	Consulting charges	-	49,656
HCL Technologies Romania s.r.l.	Fellow subsidiaries	Consulting charges	-	47,213
HCL Technologies Middle East FZ- LLC	Fellow subsidiaries	Consulting charges	-	38,521
HCL Technologies Costa Rica Limited	Fellow subsidiaries	Consulting charges	-	22,163
HCL Japan Limited	Fellow subsidiaries	Consulting charges	-	11,163
HCL Saudi Arabia LLC	Fellow subsidiaries	Consulting charges	-	10,686
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Consulting charges	2,012,000	-
HCL Technologies (PTY) Limited	Fellow subsidiaries	Consulting charges	1,418,020	-
HCL Technologies Morocco	Fellow subsidiaries	Consulting charges	112,455	-
			8,100,909	1,678,549

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Separate Financial Statements for the year ended 31 December 2024

Notes to the financial statements

21 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
Anzospan Investments (PTY) Limited	Holding company	Equity	266,225,000	266,225,000
HCL Technologies (PTY) Limited.	Fellow subsidiaries	Investment	266,225,000	266,225,000
			263,250,000	263,250,000
HCL Technologies Limited	Holding company	Trade receivables	693	991,605
HCL Technologies (PTY) Limited	Fellow subsidiaries	Trade receivables	3,066,954	2,316,860
HCL (Brazil) Tecnologia Da Informacao EIRELI	Fellow subsidiaries	Trade receivables	486,761	-
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Trade receivables	3,619	250,040
HCL Technologies (Shanghai) Limited	Fellow subsidiaries	Trade receivables	-	152,232
HCL Axon Solutions (Shanghai) Co., Limited	Fellow subsidiaries	Trade receivables	-	112,613
HCL Technologies UK Limited	Fellow subsidiaries	Trade receivables	326,362	-
HCL Technologies Trinidad And Tobago Limited	Fellow subsidiaries	Trade receivables	67,670	-
HCL Japan Limited	Fellow subsidiaries	Trade receivables	3,566	-
HCL Technologies Sweden	Fellow subsidiaries	Trade receivables	1,711	-
HCL Technologies Solutions Gmbh	Fellow subsidiaries	Trade receivables	635	-
HCL Technologies Greece Single Member P.C.	Fellow subsidiaries	Trade receivables	302	-
HCL Technologies Malaysia SDN BHD	Fellow subsidiaries	Trade receivables	-	96,226
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Trade receivables	-	87,695
HCL America Inc.	Fellow subsidiaries	Trade receivables	7,102	84,823
HCL Technologies Egypt Limited	Fellow subsidiaries	Trade receivables	-	40,316
HCL Hong Kong SAR Limited	Fellow subsidiaries	Trade receivables	-	24,331
HCL Argentina s.a.	Fellow subsidiaries	Trade receivables	-	17,365
Telerox Marketing Inc.	Fellow subsidiaries	Trade receivables	-	11,130
HCL Istanbul Bilisim Teknolojileri Limited sirketi	Fellow subsidiaries	Trade receivables	-	10,518
			3,965,375	4,195,752
HCL America Inc.	Fellow subsidiaries	Unbilled receivables	(933)	48,387
HCL Technologies Estonia OU	Fellow subsidiaries	Unbilled receivables	-	19,315
HCL Technologies Limited	Holding company	Unbilled receivables	1,899	-
HCL Axon Solutions (Shanghai) Co. Limited	Fellow subsidiaries	Unbilled receivables	8,478	-
HCL Technologies Greece Single Member P.C.	Fellow subsidiaries	Unbilled receivables	1,462	-
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Unbilled receivables	7	-
HCL Technologies UK Limited	Fellow subsidiaries	Unbilled receivables	(3)	-
PT. HCL Technologies Indonesia	Fellow subsidiaries	Unbilled receivables	-	12,630
			10,910	80,331
HCL Technologies Limited	Holding company	Deferred revenue	-	985,501
			-	985,501
HCL Technologies (PTY) Limited	Fellow subsidiaries	Trade payables	1,427,539	3,655,400
HCL (Brazil) Tecnologia Da Informacao EIRELI	Fellow subsidiaries	Trade payables	(4,759)	3,605,642
HCL Technologies Limited	Holding company	Trade payables	7,012	1,481,972
HCL Technologies UK Limited	Fellow subsidiaries	Trade payables	-	980,679
HCL America Inc.	Fellow subsidiaries	Trade payables	1,703,918	206,776
HCL Axon Solutions (Shanghai) Co., Limited	Fellow subsidiaries	Trade payables	-	140,542
HCL Technologies Corporate Services Limited	Fellow subsidiaries	Trade payables	867,460	-
HCL Technologies Austria GmbH	Fellow subsidiaries	Trade payables	-	70,817
HCL Australia Services Pty. Limited	Fellow subsidiaries	Trade payables	-	49,656
HCL Technologies Middle East FZ- LLC	Fellow subsidiaries	Trade payables	-	38,521
HCL Technologies Romania s.r.l.	Fellow subsidiaries	Trade payables	-	28,795
HCL Japan Limited	Fellow subsidiaries	Trade payables	-	11,163
HCL Technologies Mexico	Fellow subsidiaries	Trade payables	2,700	2,700
HCL Saudi Arabia LLC	Fellow subsidiaries	Trade payables	2,059	2,059
			4,005,929	10,274,722

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Separate Financial Statements for the year ended 31 December 2024**Notes to the financial statements****22 Capital management**

	As at	
	31 December 2024	31 December 2023
	ZAR	ZAR
Share capital Class A	136,890,000	136,890,000
Share capital Class B (2019: ordinary shares)	129,335,000	129,335,000
Retained earnings	4,379,170	5,775,263
	270,604,170	272,000,263

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

23 Remuneration to directors and key management personnel

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

24 Subsequent events

Other than the matters mentioned below, there have been no significant subsequent events since the year ended 31st December 2024 that would have material impact on the statement of financial position of the Company as shown in these financial statements.

25 Going concern

The company earned profit for the year ended 31 December 2024 of R 1,396,093 as compared to profit in last 9 months period ended 31 December 2023 – R 52,214,993 and as at that date its total assets exceeded its total liabilities by R 272,000,263 (31 December 2023 – R 270,604,170). In addition, current assets exceed current liabilities by R 9,356,099 (31 December 2023 – R 7,174,450). 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.