Anzospan Investments (Pty) Ltd and its subsidiaries
(Registration number 2011/006085/07)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2021

Audited Annual financial statements
in compliance with Companies Act of South Africa

General Information

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

General Information (Continued)

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Approval of Consolidated Annual Financial Statements

The consolidated annual financial statements set out on pages 9 to 44 were approved by the board of directors on 29 July 2021.

Prateek Aggarwal	Sridharan S
Prateek Aggarwal **Authorised Director**	**Sundaram Sridharan** **Authorised Director**

Directors' Report of Anzospan Investments Pty Limited and its subsidiaries

1. Directors' Responsibilities

The directors are required by the Companies Act of South Africa, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

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

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

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

The directors have reviewed the group's cash flow forecast for the year ended on 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently auditing and reporting on the consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on page 6, 7 and 8.

2. Incorporation

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

3. Business and operations

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

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

Directors' Report (continued)

4. Review of operations

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

Net profit of the group attributable to shareholder R 106,653,579 (2020 Loss: R (48,493,160))

Net loss of the company was R (56,343,090) (2020 Profit : R 477,409,729)

5. Going Concern

The group earned a profit for the period ended 31 March 2021 of R 106,653,579 as compared to loss in last year ended 31 March 2020 – R (48,493,160) and as at that date its total assets exceeded its total liabilities by R 567,711,194 (2020: R 461,057,616). In addition, current assets exceed current liabilities by R 228,254,737 (2020: R 154,015,577). The company earned a loss for the year ended 31 March 2021 of R (56,343,090) as compared to the profit in last year (2020: R 477,409,729) and as at that date its total assets exceeded its total liabilities by R 277,772,299 (2020: 334,115,389). In addition, current assets exceed current liabilities by R 2,969,566 (2020: 412,731) Based on our current knowledge and available information, we do not expect COVID19 to have an impact on our ability to continue as a going concern in the future. Accordingly, the financial statements have been prepared on a going concern basis.

6. 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 RFPs floated by South Africa based clients who show preference to work with service providers with at least Level 2 BEE rating.

For attaining the shareholding requirement of 51.8% black ownership in HCL Technologies Pty Limited (operating entity), necessary restructuring took place wherein Axon Group Limited donated its 30% holding in Anzospan Investment Pty Limited and 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.

Authorised share capital of the Company is 40,000,000 (Forty million) each Class A and Class B ordinary no par value shares. Total issued and fully subscribed capital of the company is Class A 26,215,000 no par value shares issued to Axon Group Limited and Class B 11,235,000 no par value shares issued to HCL Foundation Trust.

7. Directors

Particulars of the present directors are given below in the table.

S.No	Name of Directors	Director Type	Date of Appointment
1	Raghu Raman Lakshmanan	Non-Executive	15-03-2011
2	Sundaram Sridharan	Non-Executive	31-03-2016
3	Prateek Aggarwal	Non-Executive	26-10-2018
4	Goutam Roungta	Non-Executive	24-03-2011

8. Holding company

The Company’s Holding Company is Axon Group Limited, incorporated in the UK. With effect from 31 January, 2020 Axon Group Limited donated 30% of its holding to HCL Foundation Trust.

Directors' Report (continued)

9. Dividends

During the current financial year ended 31 March 2021, the company did not declare any dividend. Dividend of ZAR 199,915,572 and ZAR 34,999,157 was paid in April'19 and December'20 respectively to Axon Group Limited in the year ending 31 March 2020.

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 events

Apart from potential impacts of coronavirus Covid-19 which is given in Note 39 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 shareholder of Anzospan Investments (Pty) Ltd

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Anzospan Investments (Pty) Ltd (the group and company) set out on pages 9 to 44, which comprise the statements of financial position as at 31 March 2021, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Anzospan Investments (Pty) Ltd as at 31 March 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and 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.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Anzospan Investments (Pty) Ltd Annual Financial Statements for the year ended 31 March 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and 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 consolidated and 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 consolidated and 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 consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and 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 group and company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and 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 consolidated and 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

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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 group's and 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 group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and 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 group and company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

KPMG Inc.

Per N Jina
Chartered Accountant (SA)
Registered Auditor
Director
30 July 2021

Statements of comprehensive income for the year ended 31 March 2021

	Notes	Group March 21 R	Group March 20 R
Revenue	2	1,416,864,810	990,003,834
Cost of sales	3	(1,137,772,186)	(895,244,033)
Gross Profit		**279,092,624**	**94,759,800**
Other income	4	24,325,272	3,477,559
Selling and distribution expenses	3	(73,114,296)	(61,999,838)
Administrative expenses	3	(76,086,262)	(51,773,675)
Operating profit/(loss)		**154,217,338**	**(15,536,154)**
Finance cost	5	(430,822)	(664,122)
Profit/(loss) before taxation		**153,786,516**	**(16,200,276)**
Income tax	6	(47,132,938)	(32,292,884)
Profit/(loss) after taxation		**106,653,579**	**(48,493,160)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**106,653,579**	**(48,493,160)**

	Notes	Company March 2021 R	Company March 2020 R
Dividend Income		4,147,293	485,804,601
Operating expenses	7	(60,469,903)	(8,130,304)
		(56,322,610)	**477,674,297**
Other expenses	8	(2,599)	(206,101)
Operating (loss)/profit		(56,325,209)	477,468,196
Finance Expenses	9	(17,881)	(58,467)
(Loss)/Profit for the year		(56,343,090)	477,409,729
Total comprehensive income for the year		(56,343,090)	477,409,729

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Statement of financial position as at 31 March 2021

	Notes	Group March 21 R	Group March 20 R
Assets			
Non current Assets			
Property , plant and equipment	10	45,288,005	124,432,190
Right-of-use assets	27	-	714,342
Intangible assets	11	47,135,172	3,175,883
Goodwill	12	124,730,903	124,730,903
Deferred contract cost	13	30,841,875	6,706,344
Deferred tax assets (Net)	14	3,021,066	6,373,428
Finance lease receivables	15	91,349,116	39,249,521
Other receivable		1,955,748	4,649,435
		344,321,885	**310,032,046**
Current Assets			
Cash and cash equivalents	16	299,729,488	112,907,289
Receivable from fellow subsidiaries	17	21,578,585	19,013,155
Inventory	18	2,340,720	547,424
Contract assets		4,042,853	251,853
Unbilled revenue	19	15,283,734	58,391,090
Trade receivables	20	274,424,395	237,150,984
Other receivables	20	37,208,542	36,014,602
Finance lease receivables	15	33,549,502	13,651,041
Deferred contract cost	13	32,182,418	19,307,183
		720,340,237	**497,234,620**
Total Assets		**1,064,662,122**	**807,266,666**
Equity and Liabilities			
Equity			
Share capital	21	61,440,099	61,440,099
Share based payment reserve	22	103,175,741	103,175,741
Retained earnings		403,095,354	296,441,776
		567,711,194	**461,057,616**
Liabilities			
Non Current Liabilities			
Contract liabilities	23	4,586,951	2,954,290
Provisions	24	-	35,718
Lease liability	28	278,477	-
		4,865,428	**2,990,008**
Current Liabilities			
Short term loans	25	10,195,100	11,038,250
Owed to ultimate holding company and fellow subsidiaries	26	279,594,495	113,563,694
Trade and other payables	27	143,716,751	186,656,675
Contract liabilities	23	37,306,353	22,844,841
Lease liability	28	263,162	669,530
Current tax payable	29	11,501,155	1,596,388
Provisions	24	9,508,484	6,849,665
		492,085,500	**343,219,043**
Total Equity and Liabilities		**1,064,662,122**	**807,266,666**

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Statement of financial position as at 31 March 2021

	Notes	Company March 2021	Company March 2020
		R	R
Assets			
Investments	30	392,471,430	394,353,395
Current Assets			
Due from Group Companies		146,135	100
Cash and cash equivalents		2,929,744	831,929
Other receivables		8,704	-
Total Assets		**395,556,013**	**395,185,424**
Equity and Liabilities			
Equity			
Share capital	21	61,440,099	61,440,099
Retained earnings		216,332,200	272,675,290
		277,772,299	**334,115,389**
Liabilities			
Non Current Liabilities			
Share based payment obligation		117,668,699	60,650,741
		117,668,699	**60,650,741**
Current Liabilities			
Owed to ultimate holding company and fellow subsidiaries		-	189,972
Trade and other payables		115,016	229,322
		115,016	**419,294**
Total Equity and Liabilities		**395,556,013**	**395,185,424**

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Statement of changes in equity for the year ended 31 March 2021

Group	Share Capital R	Share Based Payment Reserve R	Retained Earnings R	Total R
Mar'2020				
Opening Balance as on 01 April 2019	61,439,999	-	579,849,664	641,289,663
Total comprehensive expense	-	-	(48,493,160)	(48,493,160)
Dividend Paid	-	-	(234,914,729)	(234,914,729)
Issue of capital	100	-	-	100
Share based payment expense	-	103,175,741	-	103,175,741
Balance at 31 March 2020	**61,440,099**	**103,175,741**	**296,441,776**	**461,057,616**
Mar'2020				
Opening Balance as on 01 April 2020	61,440,099	103,175,741	296,441,776	461,057,616
Total comprehensive income	-	-	106,653,579	106,653,579
Balance at 31 March 2021	**61,440,099**	**103,175,741**	**403,095,354**	**567,711,194**

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Statement of changes in equity for the year ended 31 March 2021

Company	Share Capital R	Retained Earnings R	Total R
Mar'2020			
Opening Balance as on 01 April 2019	61,439,999	30,180,290	91,620,289
Issue of capital	100	-	100
Total comprehensive income	-	477,409,729	477,409,729
Dividend Paid	-	(234,914,729)	(234,914,729)
Balance at 31 March 2020	**61,440,099**	**272,675,290**	**334,115,389**
Mar'2021			
Opening Balance as on 01 April 2020	61,440,099	272,675,290	334,115,389
Total comprehensive income	-	(56,343,090)	(56,343,090)
Balance at 31 March 2021	**61,440,099**	**216,332,200**	**277,772,299**

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Statement of cash flows for the year ended 31 March 2021

	Note	Group March 2021	Group March 2020
		R	**R**
Cash flows from operating activities			
Profit/(Loss) before tax		153,786,516	(16,200,276)
Adjusted for :			
Depreciation and amortization		42,683,799	21,442,339
Depreciation for right of use asset		722,779	575,823
Gain on control		-	1,332,614
Interest income		(7,362,111)	(8,147,758)
(Reversal)/charge of provision for bad debts		(5,955,684)	2,154,031
Loss on sale of fixed assets		4,845	15,199
Share based payment charge		-	103,175,741
Interest expenses		275,428	445,132
Cash inflows before working capital changes		**184,155,572**	**104,792,845**
Movement in working capital changes			
Decrease/(Increase) in trade and other receivables		5,139,650	(72,502,073)
Increase in Deferred cost-current and non current		(37,010,766)	(8,751,883)
(Increase)/Decrease in Finance lease receivables -current and non current		(71,998,056)	31,912,488
Increase in current liabilities		126,257,737	95,749,105
Increase in deferred revenue		16,094,173	1,757,119
Cash flow from from operations		**222,638,310**	**152,957,601**
Income tax paid		(33,875,811)	(37,067,877)
Net cash inflow from operating activities		**188,762,499**	**115,889,724**
Cash flows from investing activities			
Purchase of fixed assets		(6,066,041)	(70,582,745)
Payment on account of business combination		-	(8,508,838)
Purchase of intangible assets		(1,446,144)	-
Interest income		7,362,111	6,815,144
Net cash used in investing activites		**(150,074)**	**(72,276,439)**
Cash flows from financing activities			
Payment of lease liabilities		(746,730)	(620,635)
Proceeds from issue of share capital		-	100
Loan (repayment)/taken		(843,150)	1,538,700
Dividend paid		-	(234,914,729)
Interest paid		(200,347)	284,130
Net cash used in financing activites		**(1,790,227)**	**(233,712,434)**
Net Decrease in cash and cash equivalents		186,822,198	(190,099,149)
Cash and cash equivalents at the beginning of the year		112,907,289	303,006,438
Cash and cash equivalents at the end of the year	16	**299,729,488**	**112,907,289**

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Statement of cash flows for the year ended 31 March 2021

	Company March 2021	Company March 2020
	R	R
Cash flows from operating activities		
(Loss)/Profit after tax	(56,343,090)	477,409,729
(Decrease)/Increase in trade payables	(114,306)	198,858
Decrease in owed to ultimate holding company and fellow subsidiaries	(189,972)	-
Increase in share based payment obligation	57,017,957	-
Increase in trade receivables and other receivables	(154,739)	(100)
Decrease in value of investment	1,881,965	-
Loss on sale of investment	-	7,151,517
Interest expense	-	(4,752,348)
Dividend Income	(4,147,293)	(485,804,601)
Net cash used in operating activities	**(2,049,478)**	**(5,796,945)**
Cash flows from investing activities		
Proceeds from sale of investment	-	200
Dividend Income	4,147,293	234,925,230
Net cash inflow from investing activites	**4,147,293**	**234,925,430**
Cash flows from financing activities		
Loan repayment	-	(1,000,000)
Proceeds from issue of share capital	-	100
Dividend Paid	-	(234,914,729)
Net cash used in financing activites	**-**	**(235,914,629)**
Total cash movement for the year	**2,097,815**	**(6,786,144)**
Cash and cash equivalents at the beginning of the year	831,929	7,618,073
Cash and cash equivalents at the end of the year	**2,929,744**	**831,929**

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Accounting policies

1 Summary of significant accounting policies

1.1 Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards and the Companies Act, of South Africa. The consolidated annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The group's financial statements are presented in South African Rand (ZAR), which is also its functional currency.

The financial statements for the year ended 31st March 2021 were approved and authorized for issue by the Board of Directors on 29 July 2021.

1.2 Basis of consolidation

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

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

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

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

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

1.3 Property, plant and equipment

Plant and equipment is initially recorded at cost 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.

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.

The following are the finite lives of the tangible assets in the group:

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

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Accounting policies (Continued)

1.3 Property, plant and equipment(continued)

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.

1.4 Tax

Current tax

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

Deferred Tax

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

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

1.5 Leases

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.

Group as a lessee

Group 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.

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 Group'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.

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Accounting policies (Continued)

1.5 Leases (Continued)

Group as lessee (continued)

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 Groups' incremental borrowing rate, which approximates the rate at which the Group would borrow, in the country where the lease was executed. The Group 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 Group is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

Group as a lessor

Leases in which the Group 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 group 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 group 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 consolidated 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 group allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

1.6 Intangible assets

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

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

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

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Accounting policies (Continued)

1.6 Intangible assets (continued)

The following are the finite lives of the intangible assets in the group.

Category	Finite lives
Customer Relationship	10 years
Software Application	3 years

1.7 Business combinations and goodwill

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as 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 Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

1.8 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 Group's cash management system. In the consolidated balance sheet, bank overdrafts are presented under borrowings within current liabilities.

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Accounting policies (continued)

1.8 Financial instruments (continued)

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent solely payments of principal and interest

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

Financial assets at Fair Value through Profit and Loss

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

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.

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Accounting policies (continued)

1.8 Financial instruments (continued)

<u>Financial liabilities</u>

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

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

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

1.9 Provisions

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

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

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Accounting policies (continued)

1.10 Foreign currencies

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

1.11 Revenue recognition

Revenue from contracts with customers

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

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

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

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

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

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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.

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Accounting policies (continued)

1.11 Revenue recognition (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

1.12 Retirement benefits

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

1.13 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.

1.14 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 Group and 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 Group and 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 Group 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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Accounting policies (continued)

1.15 Impairment

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

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

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.

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Accounting policies (continued)

1.15 Impairment (continued)

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.

1.16 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.

1.17 Value Added Tax

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

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

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

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

1.18 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.

1.19 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.

1.20 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.

1.21 Cash settled share based payment

During the previous year ended March 31, 2020, for meeting the requirements of Broad-Based Black Economic Empowerment Act of South Africa and attaining the requisite shareholding requirement of 51.8% black ownership in HCL Technologies Pty Limited (operating entity), necessary restructuring took place, 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 sold 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.

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Accounting policies (continued)

1.21 Cash settled share based payment (continued)

These are recognised as a liability in the statement of financial position. The liability is remeasured at each reporting date and at settlement date based on the fair valuation of the underlying entity. Any changes in the liability is recognised in the profit or loss.

1.22 Significant accounting judgements and estimates

Judgements

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

Estimation uncertainty

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

Depreciation rates

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

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.

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.

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.

1.23 Cost of Sales

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

1.24 Deferred contract costs

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

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Accounting policies (continued)

1.25 New Standards and Interpretations

A number of new standards, amendments to standards, interpretations and amendments are effective for annual periods beginning on or after 31 March 2021 and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Group and Company are set out below. The Group and Company do not plan to early adopt these standards. These will be adopted in the period that they become mandatory unless otherwise indicated.

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

Standard/Interpretation		**Date issued by IASB**	**Effective date Periods beginning on or after**
IFRS 16 amendment	*COVID-19 Related Rent Concessions*	May 2020 (subsequent amendment March 2021)	1 June 2020 (subsequent amendment effective 1 April 2021)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments	*Interest Rate Benchmark Reform – Phase 2*	August 2020	1 January 2021
IAS 37 amendment	*Onerous Contracts: Cost of Fulfilling a Contract*	May 2020	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments	*Annual Improvements to IFRS Standards (2018 – 2020)*	May 2020	1 January 2022
IAS 16 amendment	*Property, Plant and Equipment: Proceeds before Intended Use*	May 2020	1 January 2022
IFRS 3 amendment	*Reference to the Conceptual Framework*	May 2020	1 January 2022
IAS 1 amendment	*Classification of liabilities as current or non-current*	January 2020	1 January 2023
IAS 8 amendment	*Definition of Accounting Estimates*	February 2021	1 January 2023
IAS 1 and IFRS Practice Statement 2 amendment	*Disclosure Initiative: Accounting Policies*	February 2021	1 January 2023
IAS 12 amendment	*Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	May 2021	1 January 2023
IFRS 10 and IAS 28 amendment	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	September 2014	Deferred indefinitely by amendments made in December 2015

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Notes to the Consolidated Annual Financial Statements

		Group March 2021 R	Group March 2020 R
2	**Revenue from contract with customers**		
	Total revenue comprise:		
	Service Income	1,290,001,124	889,060,641
	Sale of goods*	30,122,664	75,618,072
	Sale under capital lease	95,303,390	18,363,707
	Sale income on leased assets	1,437,632	6,961,414
		1,416,864,810	**990,003,834**
	*Sale of goods comprises of sale of IT hardware items to customers		
	Timing of revenue recognition		
	Goods transferred at a point in time	126,863,686	100,943,193
	Services transferred over time	1,290,001,124	889,060,641
	Total revenue from contract with customers	**1,416,864,810**	**990,003,834**
3	**The group's profit before tax is arrived at after charging:**		
	Depreciation on plant and equipment	19,932,689	19,580,238
	Depreciation on right-of-use assets	722,779	1,165,178
	Amortization of intangibles assets	22,751,110	1,862,102
	Operating lease expenses	94,410	277,167
	Auditor's remuneration	815,214	431,452
	Consulting charges	627,228,975	437,338,951
	Cost of good sold	91,649,493	73,138,479
	Share based payment expense	(0)	103,175,741
	Loss on sale of Capital Assets	4,845	15,199
	Other Cost	332,169,577	189,088,551
	Employee benefits		
	Salaries	180,933,456	180,049,211
	Bonus	9,164,726	1,957,654
	Pension costs- defined contribution plan	1,505,469	937,624
		1,286,972,743	**1,009,017,547**
4	**Other income**		
	Exchange gain/(loss), net	2,983,161	(4,670,199)
	Gain on control	-	1,332,614
	Interest income	7,362,111	6,815,144
	Donation	13,980,000	-
		24,325,272	**3,477,559**
5	**Finance expense**		
	Interest paid		
	Interest on short term loan	261,725	383,617
	Interest expense on lease liability	13,703	61,516
	Fair value changes on liabilities carried at fair value through profit and loss	26,555	79,664
	Bank charges	128,839	139,325
		430,822	**664,122**
6	**Taxation**		
	Current tax	43,780,576	36,679,069
	Deferred tax	3,352,362	(4,386,185)
		47,132,938	**32,292,884**
	Accounting profit/(loss) before income tax	153,786,516	(16,200,276)
	Statutory income tax	43,619,393	(4,406,321)
	Adjustments in respect of current income tax of previous years	(125,459)	5,188,454
	Adjustments in respect of deferred income tax of previous years	144,343	(362,814)
	Non-deductible expenses for tax purposes	570	29,374,223
	Tax on interest income for tax purposes:	-	(886)
	Others	3,494,091	2,500,228
	At the effects income tax rate	47,132,938	32,292,884
	Income tax expenses reported in the statement of profit or loss	**(47,132,938)**	**(32,292,884)**

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Notes to the Consolidated Annual Financial Statements (continued)

		Company March 2021 R	Company March 2020 R
7	**Operating Expenses**		
	Professional Charges	428,856	578,787
	Loss on sale of investment	-	7,151,517
	Share based payment expense	58,899,923	-
	Other expenses	1,141,125	400,000
		60,469,903	**8,130,304**
8	**Other expenses**		
	Exchange gain/(loss), net	(2,598)	(206,101)
		(2,599)	**(206,101)**
9	**Finance costs**		
	Bank Charges	17,881	58,467
		17,881	**58,467**

10 Property, plant and equipment (Group)

	Computer equipment (R)	Plant & Machinery (R)	Office equipment (R)	Furniture & fittings (R)	Under construction (R)	Total (R)
At March 31, 2019	**92,335,447**	**221,400**	**731,797**	**2,315,075**	**1,882,599**	**97,486,318**
Additions	6,756,947	-	380,272	-	63,445,525	70,582,745
Retirement	(1,276,081)	-	-	-	-	(1,276,081)
At March 31, 2020	**97,816,313**	**221,400**	**1,112,069**	**2,315,075**	**65,328,123**	**166,792,982**
Additions	5,896,212	-	100,082	61,310	-	6,057,604
Retirement	(4,751,899)	-	(689,077)	(286,022)	-	(5,726,998)
Amount capitalized to software	-	-	-	-	(65,264,254)	(65,264,254)
At March 31, 2021	**98,960,626**	**221,400**	**523,074**	**2,090,363**	**63,869**	**101,859,334**
Accumulated depreciation						
At March 31, 2019	**21,630,016**	**86,558**	**731,797**	**1,593,064**	**-**	**24,041,435**
Depreciation charge for the year	**19,265,014**	**22,140**	**36,143**	**256,941**	**-**	19,580,238
Retirement	**(1,260,882)**	**-**	**-**	**-**	**-**	(1,260,882)
At March 31, 2020	**39,634,148**	**108,698**	**767,940**	**1,850,005**	**-**	**42,360,792**
Depreciation charge for the year	19,730,191	22,140	80,058	100,301	-	19,932,690
Retirement	(4,747,054)	-	(689,077)	(286,022)	**-**	(5,722,153)
At March 31, 2021	**54,617,285**	**130,838**	**158,921**	**1,664,284**	**-**	**56,571,329**
Net book value						
At March 31, 2021	**44,343,341**	**90,562**	**364,153**	**426,079**	**63,869**	**45,288,005**
At March 31, 2020	**58,182,164**	**112,702**	**344,129**	**465,070**	**65,328,123**	**124,432,190**

11 Intangible Assets (Group)

	Customer relationship (R)	Software-Application (R)	Total (R)
At March 31, 2019	**17,375,385**	**3,124,370**	**20,499,755**
Additions	3,437,235	17,245	3,454,480
At March 31, 2020	**20,812,620**	**3,141,615**	**23,954,235**
Amount capitalized during the year	-	65,264,254	65,264,254
Additions	-	1,446,144	1,446,144
Disposal	-	(590,356)	(590,356)
At March 31, 2021	**20,812,620**	**69,261,657**	**90,074,277**
Accumulated Amortisation			
At March 31, 2019	**(16,796,205)**	**(2,120,046)**	**(18,916,251)**
Amortisation charge for the year	(840,533)	(1,021,569)	(1,862,102)
At March 31, 2020	**(17,636,738)**	**(3,141,615)**	**(20,778,353)**
Amortisation charge for the year	(595,488)	(22,155,622)	(22,751,110)
Amortisation reversal on assets	-	590,356	590,356
At March 31, 2021	**(18,232,224)**	**(24,706,881)**	**(42,939,105)**
Net Book Value			
At March 31, 2021	**2,580,396**	**44,554,776**	**47,135,172**
At March 31, 2020	**3,175,883**	**-**	**3,175,883**

The gross carrying amount of fully depreciated property plant equipment & intangible that is still in use as at 31 March 2021 is ZAR 10,806,723.

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Notes to the Consolidated Annual Financial Statements (continued)

	Group March 2021 R	Group March 2020 R
12 Goodwill		
Opening balance	124,730,903	118,714,119
Goodwill arising from business combinations	-	5,054,358
Deferred tax	-	962,426
	124,730,903	**124,730,903**

The table below shows the values and lives of intangible assets recognized on acquisition:

Asset description	Amount (ZAR)	Life (Years)	Basis of amortization
Customer relationships	3,437,235	10	In proportion of estimated revenue
Goodwill	6,016,784	-	-

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.

	Group March 2021 R	Group March 2020 R
The aggregate carrying amounts of goodwill allocated	124,730,903	118,714,119
	124,730,903	**118,714,119**

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

i.) Cash flows were projected based on the financial year ended 31 March 2021 actual operating results and the Company's 5-years business plan, with average net margin applied of 9% (2020: 9%) per annum for the years 2021 to 2025.
ii.) The terminal value was estimated using the perpetuity growth model, with a weighted average growth rate to perpetuity of 2% (2020: 2%).
iii.) A pre-tax discount rate of 8% (2020: 8%) 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.

	Group March 2021 R	Group March 2020 R
13 Deferred Contract Cost		
Non Current		
Deferred Contract Cost-group (refer note 36 (d))	-	464,552
Deferred Contract Cost-non group	30,841,875	6,241,792
	30,841,875	**6,706,344**
Currect		
Deferred contract cost-group (refer note 36 (d))	18,453,641	17,817,436
Deferred contract cost-non Group	13,728,777	1,489,747
	32,182,418	**19,307,183**
	63,024,293	**26,013,527**
14 Deferred taxation (net)		
Deferred tax liabilities	(13,654,687)	(6,244,749)
Deferred tax assets	16,675,753	12,618,177
	3,021,066	**6,373,428**

	Statement of Financial Position		Statement of Comprehensive Income	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Obsolete Inventory	56,000	765,398	709,398	(694,568)
Contract liability / Deferred contract cost (Net)	11,589,444	7,194,522	(4,394,922)	712,484
Bonus provision	1,657,268	1,133,949	(523,319)	21,188
Other current assets	1,625,303	812,652	(812,651)	(696,765)
Leave pay provision	1,005,107	767,656	(237,451)	(37,876)
Provision for doubtful debts	742,632	1,934,083	1,191,451	(486,091)
Other provisions	-	9,916	9,916	(9,916)
Tangible assets	(140,895)	-	140,895	-
Net Prepayment	(2,280,456)	(743,274)	1,537,184	(2,378,196)
IPR amortization cost	(722,510)	(889,247)	(166,737)	(235,348)
Leases	(10,510,826)	(4,612,228)	5,898,598	(605,085)
Deferred tax benefit / (expense)	-	-	**3,352,362**	**(4,410,173)**
Net deferred tax assets	**3,021,066**	**6,373,428**		-

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Notes to the Consolidated Annual Financial Statements (continued)

	Group March 2021 R	Group March 2020 R
14 Deferred taxation (continued)		
Reconciliation of deferred tax assets, net		
As of 1 April 2020	6,373,428	2,925,677
Intangibles in relation to acquisition	-	(962,422)
Tax income (expense) during the year recognized in profit and loss	(3,352,362)	4,410,173
As at 31 March 2021	**3,021,066**	**6,373,428**

15 Financial Lease

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

2021

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2021-22	39,599,507	33,549,502	6,050,006
2022-23	37,427,068	33,432,093	3,994,975
2023-24	30,910,558	29,016,349	1,894,210
2024-25	20,309,957	19,561,988	747,969
2025-26	9,440,928	9,338,686	102,242
Total	**137,688,018**	**124,898,618**	**12,789,402**

2020

Year	Minimum Lease Rent Receivable	Present Value of Lease Rent Receivable	Interest Included in Lease Rent Receivable
2020-21	17,958,626	13,651,041	4,307,586
2021-22	17,124,608	13,956,380	3,168,228
2022-23	16,543,930	14,697,438	1,846,492
2023-24	10,900,681	10,476,243	424,437
2024-25	128,775	119,459	9,316
Total	**62,656,620**	**52,900,561**	**9,756,059**

	Group March 2021 R	Group March 2020 R
16 Cash and cash equivalents		
Cash at Bank	62,729,488	65,907,289
Term Deposit	237,000,000	47,000,000
	299,729,488	**112,907,289**
17 Receivable from fellow subsidiaries		
Trade Receivable-group (refer note 36 (d))	20,407,221	18,724,824
Unbilled Revenue-group (refer note 36 (d))	79,623	-
Other Receivable-group (refer note 36 (d))	1,091,741	288,331
	21,578,585	**19,013,155**

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

	Group March 2021 R	Group March 2020 R
18 Inventory		
Inventory in hand	3,824,280	3,461,798
Less: Provision for inventory	(1,483,560)	(2,914,374)
	2,340,720	**547,424**

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

	Group March 2021 R	Group March 2020 R
19 Unbilled Receivables		
Unbilled Receivables	15,283,734	58,828,629
Accrued Revenue	-	(437,539)
	15,283,734	**58,391,090**
20 Trade receivables		
Trade receivables	278,678,158	246,360,903
Less: Provision for doubtful debt	(4,253,763)	(9,209,919)
	274,424,395	**237,150,984**
Other Receivables		
Sundry receivables and deposit	43,013,197	38,916,930
Less: Provision for other current assets	(5,804,655)	(2,902,328)
	37,208,542	**36,014,602**

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

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

Total	Neither past due nor impaired (up to 30 days)	Past due but not impaired		
		31-60 Days	61-180 Days	180> Days
274,424,395	165,256,853	92,346,141	10,734,034	6,087,367

As at 31 March 2021

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate (%)	0.16	0.19	62.10	**1.53**
Gross carrying amount (ZAR)	169,510,616	103,080,176	6,087,366	**278,678,158**
Expected credit loss (ZAR)	275,917	197,742	3,780,104	**4,253,763**

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	Group March 2021 R	Group March 2020 R

20 Trade receivables (continued)

As at March 31, 2020 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
237,150,984	148,570,522	59,146,995	14,611,407	14,822,060

As at 31 March 2020

	Current	Upto 6 months past due	Over 6 months past due	Total
Expected credit loss rate (%)	0.44	1.38	50.43	**3.76**
Gross carrying amount (ZAR)	157,421,292	72,807,073	14,900,883	**245,129,248**
Expected credit loss (ZAR)	690,613	1,005,328	7,513,979	**9,209,919**

21 Share capital

	Group March 2021 R	Group March 2020 R
Authorised capital		
40,000,000 each Class A and Class B ordinary no par value shares	62,003,184	62,003,184
Issued		
26,215,000 Class A and 11,235,000 Class B no par value shares	61,440,099	61,440,099

22 Share Based Payment Reserve

Share Based Payment Reserve	103,175,741	103,175,741

For meeting the requirements of Broad-Based Black Economic Empowerment Act of South Africa and attaining the requisite shareholding requirement of 51.8% black ownership in HCL Technologies Pty Limited (operating entity), necessary restructuring took place, 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 sold its 24% shares held in HCL Technologies South Africa Pty Limited each to HCL BEE Trust and HCL Ownership Trust respectively, created for the benefit of black people.

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

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

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

23 Contract liability

Current	37,306,353	22,844,841
Non-Current	4,586,951	2,954,290
	41,893,304	**25,799,131**

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

24 Provisions

Current		
Leave encashment	3,589,668	2,741,629
Bonus	5,918,816	4,126,360
Provision for LD/SLA Violation	-	(18,324)
	9,508,484	**6,849,665**
Non Current		
Bonus	-	35,718
	-	**35,718**

Movement of provisions	**Leave encashment**	**Bonus**	**LD/SLA Violation**	**Total**
Opening	2,741,629	4,162,078	(18,324)	6,885,383
Charge during the year	848,039	-	-	848,039
Payout during the year/reevrsal of provisions	-	1,756,738	18,324	1,775,062
Closing Balance	**3,589,668**	**5,918,816**	**-**	**9,508,484**

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.

25 Short Term Loans

Loan from fellow subsidiaries (refer note 36 (d))	10,195,100	11,038,250
	10,195,100	**11,038,250**

The Company entered into unsecured short-term loan facility agreement with Axon Solutions Limited in amount of GBP 500,000. This loan intended for the Company working capital and will be payable on demand with interest of LIBOR rate + 200 bps per annum.

26 Owed to ultimate holding & fellow subsidiaries

Advances from fellow subsidiaries (refer note 36 (d))	3,288,596	-
Interest-group (refer note 36 (d))	2,529,664	2,468,286
Accrued expenses-group (refer note 36 (d))	125,609,173	5,278,221
Payables-group (refer note 36 (d))	148,167,063	105,817,186
	279,594,495	**113,563,694**

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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Notes to the Consolidated Annual Financial Statements (continued)

	Group March 2021 R	Group March 2020 R
27 Trade and other payables		
Trade payables	66,298,464	137,802,481
Customer discount	27,781	-
Accruals	33,232,459	7,483,117
VAT payable	20,224,722	22,711,682
Other payables	23,933,325	18,659,396
	143,716,751	**186,656,675**

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.

28 Lease and Right-of-use assets

The Groups leasing arrangements are in respect of leases for office spaces only. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

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

Building

At 1 April 2020	**714,342**	**-**
Transition impact of IFRS 16	-	2,248,970
Additions	8,437	-
Disposal	-	(384,384)
Charges for the year	(722,779)	(1,150,244)
At March 31, 2021	-	**714,342**

Lease liability

Capital lease obligation - non currrent	278,477	-
Capital lease obligation - currrent	263,162	-
	541,639	**-**

The reconciliation of lease liabilities is as follows:

At 01 April 2020	**669,530**	**-**
Transition Impact of IFRS 16	-	2,371,522
Additions	605,136	-
Amounts recognized in statement of comprehensive income as interest expense	13,703	61,516
Payment of lease liability	(746,730)	(1,212,268)
Disposals/terminations	-	(551,240)
At March 31, 2021	**541,639**	**669,530**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2021:

	Group March 2021 R	Group March 2020 R
Particulars		
Not later than one year	279,603	680,458
Between one and three years	286,934	-
Total Lease Payments	**566,537**	**680,458**
Imputed Interest	24,898	10,928
Total Lease Liabilities	**541,639**	**669,530**

29 Current tax payable		
Advance Tax	(32,465,139)	(27,394,930)
Income Tax Provisions	43,966,294	28,991,318
	11,501,155	**1,596,388**
30 Investment in subsidiaries		
Share at cost		
35% interest in issued share capital of HCL Technologies Pty Limited. (formerly known as HCL Axon Pty Limited)	30,450,000	30,450,000
52% interest in issued Class A share capital of HCL Technologies South Africa Pty Limited	362,021,430	363,903,395
	392,471,430	**394,353,395**
31 Share capital		
Authorised capital		
40,000,000 each Class A and Class B ordinary no par value shares (2020 : 40,000,000 each Class A and Class B no par	89,999,999	89,999,999
Issued		
26,215,000 Class A and 11,235,000 Class B no par value shares (2020: 26,215,000 Class A and 11,235,000 Class B no par	61,440,099	61,440,099

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Notes to the Consolidated Annual Financial Statements (continued)

	Company March 2021	Company March 2020
	R	R

32 Share based payment obligation

Share based payment obligation	117,668,699	60,650,741

The fair value of the share based payment obligation 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 obligation were as follows:

Valuation date	31 March 2021
Settlement date	31 March 2025
Call option exercise date	31 March 2037
Annual dividend yield	10%
Interest Rate	8%
Equity value of operating company	ZAR 789 M
Risk free rates	3M JIBAR zero curve

33 Commitments

a) Capital commitments

Capital commitment are for estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at the balance sheet date March 31, 2021 amounting to ZAR 1,138,230 (2020: ZAR 2,563,781)

34 Financial instrument risk management

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivables, trade payables and borrowings. The main purpose of the financial liabilities is to raise finance for the company's operations. The financial assets arise from normal business transactions. The main risks arising from the company's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk.

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

Interest rate risk

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

Interest rate sensitivity

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

Group

Increase / decrease in basis points		**Effect on profit before tax**	
		March 2021	**March 2020**
	100	101,951	110,383
	-100	(101,951)	(110,383)

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

Credit risk

Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The Group 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 groups policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard. The requirement for impairment is analysed on an individual basis for major clients. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively.

Exposure to credit risk

At the balance sheet date, the Group'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 20 to the financial statements.

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

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Group. 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 20 (trade receivables).

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34 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 group's profit before tax due to changes in the fair value of monetary assets and liabilities.

	Mar 2021 Change in rate	Effect on profit before tax R	Mar 2020 Change in rate	Effect on profit before tax R
EUR	-11.07%	4,301	20.03%	(1,628)
GBP	-7.64%	913,123	16.20%	(1,322,411)
INR	-14.27%	3,133	-11.24%	74,009
MYR	-13.60%	(1,151)	0.00%	-
USD	-17.07%	466,137	23.23%	1,071,706
CNY	0.00%	-	16.51%	(3,014)
BRL	-25.42%	1,178,579	-7.42%	344,183
CLP	-2.59%	(605)	-2.22%	(732)
SEK	-3.70%	393	12.69%	(1,349)
AED	-17.11%	1,117	0.00%	-
COP	-9.60%	241	0.00%	-
UGX	-15.29%	(4,178)	0.00%	-
VES	-96.49%	(136,466)	21181.85%	29,956,034
EUR	11.07%	(4,301)	-20.03%	1,628
GBP	7.64%	(913,123)	-16.20%	1,322,411
INR	14.27%	(3,133)	11.24%	(74,009)
MYR	13.60%	1,151	0.00%	-
USD	17.07%	(466,137)	-23.23%	(1,071,706)
CNY	0.00%	-	-16.51%	3,014
BRL	25.42%	(1,178,579)	7.42%	(344,183)
CLP	2.59%	605	2.22%	732
SEK	3.70%	(393)	-12.69%	1,349
AED	17.11%	(1,117)	0.00%	-
COP	9.60%	(241)	0.00%	-
UGX	15.29%	4,178	0.00%	-
VES	96.49%	136,466	-21181.85%	(29,956,034)

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

Liquidity risk

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

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34 Financial instrument risk management (Continued)

Liabilities

		1 Year	2-5 Years	Over 5 Years	Total
March 31, 2021					
Loan from subsidiaries	2.96% p.a.	10,195,100	-	-	10,195,100
Owed to ultimate holding company and fellow subsidiaries	Interest free	279,594,495	-	-	279,594,495
Trade and other payables	Interest free	143,716,751	-	-	143,716,751
Lease liability	Interest free	263,162	278,477	-	541,639

Liabilities

		1 Year	2-5 Years	Over 5 Years	Total
March 31, 2020					
Loan from subsidiaries	2.96% p.a.	11,038,250	-	-	11,038,250
Owed to ultimate holding company and fellow subsidiaries	Interest free	113,563,694	-	-	113,563,694
Trade and other payables	Interest free	186,656,675	-	-	186,656,675
Lease liability	Interest free	669,530	-	-	669,530

Company

March 31, 2021					
Trade and other payables	Interest free	115,016	-	-	115,016
March 31, 2020					
Loan from subsidiaries	2.96% p.a.	189,972	-	-	189,972
Trade and other payables	Interest free	229,322	-	-	229,322

Fair value

At March 31st 2021, the carrying amounts of cash, trade receivables, trade payables, approximate their fair values due to the short term maturities of these assets and liabilities.

35 Classification of financial instruments
Group
Mar 2021

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Trade and other receivables	274,424,395	39,164,290	313,588,685
Receivable from ultimate holding company, parent and fellow subsidiaries	21,578,585	-	21,578,585
Cash and cash equivalents	299,729,488	-	299,729,488
Unbilled receivable	15,283,734	-	15,283,734
Contract assets	4,042,853	-	4,042,853
Finance Lease Receivable	124,898,618	-	124,898,618
Deferred contract cost	-	63,024,293	63,024,293
Total	**739,957,673**	**102,188,583**	**842,146,256**

Liabilities			
Loan from fellow Subsidiary and parent company	10,195,100	-	10,195,100
Owed to ultimate holding company, parent and fellow subsidiaries	279,594,495	-	279,594,495
Trade and other payables	123,492,029	20,224,722	143,716,751
Lease liability	541,639	-	541,639
Contract liabilities	-	41,893,304	41,893,304
Total	**413,823,264**	**62,118,026**	**475,941,290**

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Notes to the Consolidated Annual Financial Statements (continued)

35 Classification of financial instruments (continued)

Group

Mar 2020

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Trade and other receivables	237,150,984	40,664,037	277,815,021
Receivable from ultimate holding company, parent and fellow subsidiaries	19,013,155	-	19,013,155
Cash and cash equivalents	112,907,289	-	112,907,289
Unbilled receivable	58,391,090	-	58,391,090
Contract assets	251,853	-	251,853
Finance Lease Receivable	52,900,562	-	52,900,562
Deferred contract cost	-	26,013,527	26,013,527
Total	**480,614,932**	**66,677,564**	**547,292,496**

Liabilities			
Loan from fellow Subsidiary and parent company	11,038,250	-	11,038,250
Owed to ultimate holding company, parent and fellow subsidiaries	113,563,694	-	113,563,694
Trade and other payables	141,100,153	22,711,682	163,811,834
Lease liability	669,530	-	669,530
Contract liabilities	-	25,799,131	25,799,131
Total	**266,371,626**	**48,510,813**	**314,882,439**

Company

Mar 2021

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Receivable from ultimate holding company, parent and fellow subsidiaries	146,135	8,704	154,839
Cash and cash equivalents	2,929,744	-	2,929,744
Total	**3,075,879**	**8,704**	**3,084,583**

Liabilities			
Trade and other payables	115,016	-	115,016
Total	**115,016**	**-**	**115,016**

Mar 2020

	Loans & receivables / (financial liabilities at amortised cost)	Non-Financial assets / liabilities	Total
	R	R	R
Assets			
Receivable from ultimate holding company, parent and fellow subsidiaries	100	-	100
Cash and cash equivalents	831,929	-	831,929
Total	**831,929**	**-**	**831,929**

Liabilities			
Loan from fellow Subsidiary and parent company	189,972	-	189,972
Trade and other payables	229,322	-	229,322
Total	**419,294**	**-**	**419,294**

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36 Related party transactions

a) Related parties where control exists

Holding company

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

Ultimate holding company

HCL Technologies Limited

Subsidiaries

HCL Technologies South Africa Proprietary Limited
HCL Technologies Pty Ltd (formerly know as HCL Axon (Pty) Ltd.)
HCL BEE Trust
HCL Ownership Trust

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

Ultimate holding company

HCL Technologies Limited

Fellow subsidiaries

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

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Group

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

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	R	R	R	R
Interest expenses				
Axon Solutions Limited	261,725	383,617	-	-
Total	**261,725**	**383,617**	**-**	**-**
Insurance expenses				
HCL Technologies Limited	-	-	550,201	250,473
Total	**-**	**-**	**550,201**	**250,473**
Marketing Cost				
HCL Great Britain Limited	50,272,258	37,967,111	-	-
Total	**50,272,258**	**37,967,111**	**-**	**-**
Consulting charges				
HCL Technologies Limited	-	-	555,132,010	388,486,400
HCL Axon Solutions (Shanghai) Co., Limited	550,900	427,892	-	-
Axon Solutions Limited	73,228	814,144	-	-
HCL (Brazil) Technologia Da Informacao EIRELI	138,318	(341,123)	-	-
HCL America Inc.	6,478,683	3,473,949	-	-
HCL Argentina s.a.	177,139	1,031,001	-	-
HCL Australia Services Pty. Limited, Australia	75,935	268,685	-	-
HCL Technologies Malaysia SDN BHD (Fy HCL Axon Malaysia SDN BHD)	219,643	576,720	-	-
HCL Belgium NV	-	12,008	-	-
HCL GmbH	-	524,011	-	-
HCL Great Britain Limited	1,167,800	2,530,728	-	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	424,408	11,728	-	-
HCL Poland Sp.z.o.o.	1,123,892	1,393,486	-	-
HCL Saudi Arabia LLC	124,311	360,131	-	-
HCL Technologies Beijing Co., Limited	86,577	297,191	-	-
HCL Technologies BV	600,378	882,788	-	-
HCL Technologies Chile SpA	40,275	119,158	-	-
HCL Technologies Denmark ApS	87,845	-	-	-
HCL Technologies Italy S.p.A.	-	28,411	-	-
HCL Technologies Middle East FZ- LLC	117,694	30,335	-	-
HCL Technologies UK Limited	5,263,911	2,606,100	-	-
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	12,819	-	-	-
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	625,491	966,559	-	-
HCL Technologies Mexico	784,823	334,262	-	-
HCL Singapore Pte. Limited, Singapore	4,353,111	54,857	-	-
HCL Technologies (Shanghai) Limited	1,247,360	735,000	-	-
HCL Technologies France	273,987	15,539	-	-
HCL Technologies Sweden (IOMC)	1,936,154	241,838	-	-
HCL Technologies Germany GmbH	246,906	93,627	-	-
HCL Technologies Belgium BVBA	22,280	65,233	-	-
HCL Technologies Vietnam Company Limited	230,690	1,103,224	-	-
HCL Technologies Colombia SAS	555,477	538,347	-	-
HCL Hungary Kft	103,538	20,006	-	-
HCL Technologies Finland Oy	-	346,298	-	-
HCL Technologies Lithuania UAB	-	127,180	-	-
HCL Technologies Greece Single Member P.C.	-	41,083	-	-
HCL (New Zealand) Limited, New Zealand	-	30,837	-	-
HCL Technologies (Taiwan) Limited.	(22,451)	407,792	-	-
HCL Latin America Holding LLC	518,613	241,310	-	-
HCL Sweden AB	3,428	-	-	-

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Notes to the Consolidated Annual Financial Statements (continued)

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

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	R	R	R	R
HCL (Netherlands) BV	1,731	-	-	-
HCL (Ireland) Information Systems Limited	155,855	-	-	-
HCL Technologies Czecj Republic s.r.o.	378,171	-	-	-
HCL Technologies Norway AS	108,878	-	-	-
C3i Europe Eood	54,294	-	-	-
PT HCL Technologies Indonesia Limited	175,320	-	-	-
HCL Technologies Philippines, Inc	32,513	-	-	-
HCL Asia Pacific Pte. Limited	21,792	-	-	-
HCL Technologies (Thailand) Limited	65,369	-	-	-
HCL Technologies Lanka Private Limited	43,521	-	-	-
HCL Guatemala, Sociedad Anónima	542,025	-	-	-
Total	**29,222,634**	**20,410,335**	**555,132,010**	**388,486,400**
Software Income				
HCL Technologies Limited	-	-	4,095,354	7,130,528
HCL America Inc.	-	365,694	-	-
HCL Australia Services Pty. Limited	1,060,208	3,228,740	-	-
HCL Axon Technologies Inc.-SD	9,610	138,289	-	-
HCL Great Britain Limited	-	361,452	-	-
HCL Hong Kong SAR Limited	-	14,151	-	-
HCL Singapore Pte Limited	401,304	2,948,990	-	-
HCL Technologies (Shanghai) Limited	-	17,568	-	-
HCL Technologies B.V	270,561	6,993	-	-
HCL Technologies Germany Gmbh	27,719	71,230	-	-
HCL Technologies Italy SPA	-	1,254,457	-	-
HCL Technologies Middle East FZ- LLC	116,733	343,700	-	-
HCL Technologies Norway AS	13,494	11,023	-	-
HCL Technologies UK Limited	18,359,428	16,357,270	-	-
PT. HCL Technologies Indonesia	9,139	47,939	-	-
HCL (Brazil) Technologia Da Informacao EIRELI	55,945	-	-	-
HCL Technologies Belgium BVBA	129,395	-	-	-
HCL Technologies Chile SpA	29,355	-	-	-
HCL Technologies Sweden (IOMC)	278,122	-	-	-
HCL Technologies Finland Oy	197,387	-	-	-
HCL (New Zealand) Limited, New Zealand	324,104	45,764	-	-
HCL Axon Solutions (Shanghai) Co., Limited	814,212	638,196	-	-
HCL Argentina s.a.	17,365	164,424		-
HCL Technologies Mexico	587,181	18,163		-
HCL Technologies Colombia SAS	499,894	11,880		-
HCL Poland Sp.z.o.o.	-	125,619		-
HCL GmbH	218,460	188,028		-
HCL Technologies Luxembourg S.a.r.l	-	11,426		-
HCL Technologies Denmark ApS	100,639	61,551		-
HCL Hungary Kft	151,780	-		
HCL Technologies Czech Republic s.r.o.	12,435	-		
HCL Technologies Austria GmbH	201,443	-		
HCL Technologies Corporate Services Limited	1,106,363	-		
HCL Japan Limited, Japan	72,358	-		
HCL Technologies Egypt Limited	17,754	-		
HCL Technologies Malaysia SDN BHD (Fy HCL Axon Malaysia SDN BHD)	12,269	-		
HCL Technologies Philippines Inc	626,707	-		
HCL Technologies (Taiwan) Limited.	44,035	-		
Total	**25,765,399**	**26,432,548**	**4,095,354**	**7,130,528**

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Notes to the Consolidated Annual Financial Statements (continued)

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

Particulars	As at March 31, 2021	As at March 31, 2020
	R	R
Trade payable		
HCL Technologies Limited	130,328,930	87,782,109
HCL Axon Solutions (Shanghai) Co. Limited.	-	21,572
Axon Solutions Limited	(5,923)	554,855
HCL (Brazil) Technologia Da Informacao EIRELI	3,202,486	4,294,164
HCL America Inc.	1,334,102	1,386,350
HCL Argentina s.a.	101,752	-
HCL Australia Services Pty. Limited	-	114,481
HCL Technologies Malayia SDN BHD.	126,251	281,449
HCL Great Britain Limited	9,810,752	10,416,017
HCL Saudi Arabia LLC	2,059	2,059
HCL Technologies (Shanghai) Limited	-	184,753
HCL Technologies Beijing Co. Limited	-	69,374
HCL Technologies B.V	-	224,092
HCL Technologies Chile Spa	-	119,158
HCL Technologies UK Limited	1,313,139	34,020
HCL Mexico S. de R.L.	381,752	2,700
HCL Singapore Pte. Limited	277,225	54,857
HCL Technologies Middle East FZ- LLC	(46,134)	-
HCL Canada Inc. (FY HCL Axon Technologies Inc.)	-	217,428
HCL Technologies Vietnam Company Limited	-	57,750
HCL Hungary Kft	57,384	-
HCL Technologies Germany Gmbh	22,757	-
HCL Technologies Belgium BVBA	151,132	-
HCL Istanbul Bilisim Teknolojileri Limited Sirketi	15,199	-
HCL Technologies Czecj Republic s.r.o.	274,758	-
HCL Technologies Denmark Aps	25,557	-
C3i Europe Eood	54,294	-
HCL Technologies France SAS	204,803	-
PT HCL Technologies Indonesia Limited	11,681	-
HCL Technologies (Taiwan) Limited	35,378	-
HCL Technologies Lanka Private Limited	6,205	-
HCL Guatemala, Sociedad Anónima	481,524	-
Total	**148,167,063**	**105,817,186**
Other Current Liabilities		
HCL Technologies Limited	124,987,965	4,870,430
HCL Technologies (Thailand) Limited	65,369	-
HCL Technologies (Taiwan) Limited	-	407,792
HCL HCL Latin America Holding, LLC	518,613	-
HCL Technologies Lanka Private Limited	37,226	-
Total	**125,609,173**	**5,278,222**
Interest Payable		
Axon Solutions Limited	2,063,412	1,963,474
Axon Group Limited UK	466,252	504,812
Total	**2,529,664**	**2,468,286**
Advance Payable		
HCL (Brazil) Technologia Da Informacao EIRELI	3,288,596	-
Total	**3,288,596**	**-**

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Notes to the Consolidated Annual Financial Statements (continued)

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

Particulars	As at March 31, 2021	As at March 31, 2020
	R	R
Trade receivable		
HCL Technologies Limited	2,285,314	4,829,872
HCL Axon Solutions (Shanghai) Co. Limited.	3,573,268	2,759,056
Axon Solutions Limited	5,913	5,913
HCL (Brazil) Technologia Da Informacao EIRELI	1,198,596	940,833
HCL America Inc.	1,925,841	2,073,201
HCL Argentina s.a.	186,384	166,470
HCL Australia Services Pty. Limited	228,014	835,818
HCL Great Britain Limited	-	343,158
HCL Singapore Pte. Limited	232,888	92,027
HCL Technologies (Shanghai) Limited	791,056	791,056
HCL Technologies B.V.	4,094	9,081
HCL Technologies Chile Spa	459,705	1,059,293
HCL Technologies Columbia S.A.S.	518,369	39,325
HCL Technologies Germany Gmbh	2,390	112,193
HCL Technologies Italy SPA	-	442,061
HCL Technologies Norway AS	(6,459)	(7,789)
HCL Technologies UK Limited	6,696,545	4,183,897
JSP Consulting Sdn Bhd	7,641	7,641
PT. HCL Technologies Indonesia	18,602	66,517
HCL Technologies Middle East FZ- LLC	26,957	(108,258)
HCL Technologies Belgium BVBA	128,852	-
HCLTechnologies Sweden AB	83,154	-
HCL Mexico S. de R.L.	590,945	18,163
Axon Group PLC	-	100
HCL Technologies Luxembourg S.a.r.l	-	11,426
HCL Technologies Denmark ApS	-	53,770
HCL Hungary Kft	151,780	-
HCL GmbH	218,460	-
HCL Technologies Austria GmbH	11,708	-
HCL Japan Limited, Japan	72,358	-
HCL (New Zealand) Limited	324,104	-
HCL Technologies Philippines, Inc	626,707	-
HCL Technologies (Taiwan) Limited	44,035	-
Total	**20,407,221**	**18,724,825**
Short-term loans payable		
Axon Solutions Limited	10,195,100	11,038,250
Total	**10,195,100**	**11,038,250**
Unbilled revenue		
HCL Technologies Limited	79,623	-
Total	**79,623**	**-**
Other Receivable		
HCL Technologies Limited	803,410	-
HCL Axon Solutions (Shanghai) Co. Limited.	70,509	70,509
HCL Technologies (Shanghai) Limited	217,822	217,822
Total	**1,091,741**	**288,331**
Deferred Contract Cost		
HCL Technologies Limited	18,453,641	18,281,988
Total	**18,453,641**	**18,281,988**

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Notes to the Consolidated Annual Financial Statements (continued)

Company

Outstanding balances with related parties

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	R	R	R	R
Trade Receivables				
Axon Group Limited	-	100	-	-
HCL Technologies South Africa Proprietary Limited	100,000	-	-	-
HCL Technologies Middle East FZ LLC	46,135	-	-	-
Total	**146,135**	**100**	**-**	**-**
Accounts Payable				
HCL Technologies South Africa Proprietary Limited	-	(100,000)	-	-
Total	**-**	**(100,000)**	**-**	**-**
Interest accrued on short term loan				
HCL Technologies Pty Limited (FY HCL Axon (Pty) Limited.)	-	289,972	-	-
Total	-	**289,972**	-	**-**

Particulars	Fellow subsidiaries		Ultimate holding company	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	R	R	R	R
Interest on short term loan				
HCL Technologies Pty Limited (FY HCL Axon (Pty) Limited.)	-	50,055	-	-
Total	**-**	**50,055**	**-**	**-**
Dividend Expense				
Axon Group Limited	-	234,914,729	-	-
Total	**-**	**234,914,729**	**-**	**-**
Dividend Income				
HCL Technologies Pty Limited (FY HCL Axon (Pty) Limited.)	-	234,925,230	-	-
HCL Technologies South Africa Proprietary Limited	4,147,293	-	-	-
Total	**4,147,293**	**234,925,230**	**-**	**-**

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest free (except loan from parent company) and settlement occurs in cash.There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2021, the company has not recorded any impairment of receivables relating to amounts owned by related parties.

37 Remuneration to directors and key management personnel

All the directors and key management personnel of the Anzsopan Group are also directors and key management personnel in other group companies within the HCL group and all of these companies together are viewed as one business unit and their remuneration is paid by the ultimate parent Company. No separate or additional remuneration is paid to these directors for their role as directors of this Company or any other companies in the South African group and therefore no disclosure is required for these directors.
Non-executive directors do not earn attendance fees.

38 Retirement benefits

All eligible employees are members of the HCL Technologies Pty Ltd (FY HCL Axon (Pty) Ltd.) S.A.319 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 Technologies Pty Ltd (FY HCL Axon (Pty) Ltd.) S.A.319 contributing an equal amount plus administration costs of the fund. Pension costs relating to contributions recognised in the current financial year are reflected under employee benefit in Note 3.

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Notes to the Consolidated Annual Financial Statements (continued)

39 Capital management

	March 2021	March 2020
Share capital	61,440,099	61,440,099
Accumulated profit	403,095,354	296,441,776
	464,535,453	**357,881,875**

Capital includes equity shares and equity attributable to the equity holders of the parent and equity attributable to non-controlling interst. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group has managed its capital structure to inhance its credit rating by donating shares to Trust for benefit of black people.

40 Subsequent Event

Other than the matter mentioned below, there have been no significant subsequent events since the year ended 31 March'21 that would have material impact on the statement of financial position of the Group and Company as shown in these financial statements.
The recent outbreak of COVID19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited as delivery of our services is uninterrupted, and we have currently not witnessed significant changes in demand, whereas our service delivery is intact and our liquidity remains healthy. However, going forward the COVID19 outbreak may negatively impact amongst others our, workforce, operations, and market demand and liquidity. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders.

41 Going Concern

The group earned a profit for the period ended 31 March 2021 of R 106,653,579 as compared to loss in last year ended 31 March 2020 – R (48,493,160) and as at that date its total assets exceeded its total liabilities by R 567,711,194 (2020: R 461,057,616). In addition, current assets exceed current liabilities by R 228,254,737 (2020: R 154,015,577). The company earned a loss for the year ended 31 March 2021 of R (56,343,090) as compared to the profit in last year (2020: R 477,409,729) and as at that date its total assets exceeded its total liabilities by R 277,772,299 (2020: 334,115,389). In addition, current assets exceed current liabilities by R 2,969,566 (2020: 412,731) Based on our current knowledge and available information, we do not expect COVID19 to have an impact on our ability to continue as a going concern in the future. Accordingly, the financial statements have been prepared on a going concern basis.

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