

HCL INFOSYSTEMS SOUTH AFRICA (PTY) LTD
(Registration number 2011/010561/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	IT and computer software services and placement of IT professionals
Directors	R. Bhattacharyya R. Kalidin
Registered office	Glass House Office Park Building no. 3 309 Umhlanga Rocks Drive La Lucia Ridge 4319
Postal address	P.O. Box 1582 Mount Edgecombe 4301
Banker	First National Bank Limited
Reviewer	Pierian Incorporated Registered Auditors
Company registration number	2011/010561/07
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Index	Page
Independent Reviewers' Report	3
Directors' Responsibilities and Approval	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 12
Detailed Income Statement	13



Independent Reviewers' Report

To the shareholders of HCL Infosystems South Africa (Pty) Ltd

We have reviewed the accompanying annual financial statements of HCL Infosystems South Africa (Pty) Ltd, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 5 to 13.

Directors' Responsibility for the Annual Financial Statements

These annual financial statements are the responsibility of the company's directors.

Independent Reviewers' Responsibility

Our responsibility is to issue a report on these annual financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the annual financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying annual financial statements do not give a true and fair view, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.



Pierian Incorporated
Registered Auditors
Per: S. Naidoo
Director

05 September 2013
Durban

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

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

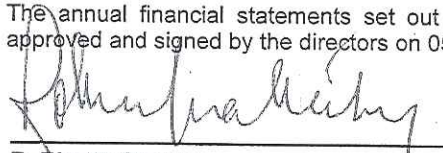
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for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

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

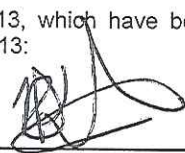
The directors have reviewed the company's cash flow forecast for the year to 30 June 2014 and in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewers and their report is presented on page 3.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved and signed by the directors on 05 September 2013:



R. Bhattacharyya



R. Kalidin

Durban



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Directors' Report

The directors submit their report for the year ended 30 June 2013.

1. Review of activities

Main business and operations

The company is engaged in IT and computer software services and the placement of IT professionals and operates in South Africa.

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

2. Going concern

We draw attention to the fact that at 30 June 2013, the company had accumulated losses of R (3,718,043) (2012: R 1,594,780) and that the company's total liabilities exceed its assets by R (2,078,607) (2012 : R 1,594,680).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Authorised and issued share capital

There was an issue of 1 639 336 ordinary shares during the year.

5. Dividends

No dividends were declared or paid to shareholder during the year.

6. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
B. Ruthnum	South African	Resigned 14 June 2012
R. Asija	Indian	Resigned 18 July 2012
R. Bhattacharyya	Indian	Appointed 18 July 2012
T. Govender	South African	Resigned 15 July 2013
R. Kalidin	South African	Appointed 15 July 2013

7. Secretary

The company had no secretary during the year.

8. Ultimate holding company

The company's ultimate holding company is HCL Investments (PTE) Ltd Incorporated in India.

9. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Position

Figures in Rand	Notes	2013	2012
Assets			
Current Assets			
Trade and other receivables	2	12,000	12,000
Cash and cash equivalents	3	398,617	794,869
		<u>410,617</u>	<u>806,869</u>
Total Assets		<u>410,617</u>	<u>806,869</u>
Equity and Liabilities			
Equity			
Share capital	4	1,639,436	100
Reserves		-	-
Accumulated loss		(3,718,043)	(1,588,142)
		<u>(2,078,607)</u>	<u>(1,588,042)</u>
Liabilities			
Current Liabilities			
Related party loan payable	5	2,397,000	2,397,000
Trade and other payables	6	92,224	(2,089)
		<u>2,489,224</u>	<u>2,394,911</u>
Total Equity and Liabilities		<u>410,617</u>	<u>806,869</u>



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Statement of Comprehensive Income

Figures in Rand	Note	2013	2012
Reimbursement for expenses		474,487	-
Operating expenses		(2,641,019)	(1,635,110)
Operating loss	7	(2,166,532)	(1,635,110)
Investment revenue		36,638	47,038
Finance costs		(7)	(70)
Loss for the year		(2,129,901)	(1,588,142)



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 July 2011	-	-	-
Loss for the year	-	(1,588,142)	(1,588,142)
Issue of shares	100	-	100
Balance at 01 July 2012	100	(1,588,142)	(1,588,042)
Loss for the year	-	(2,129,901)	(2,129,901)
Issue of shares	1,639,336	-	1,639,336
Balance at 30 June 2013	1,639,436	(3,718,043)	(2,078,607)



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Statement of Cash Flows

Figures in Rand	Notes	2013	2012
Cash flows from operating activities			
Cash used in operations	8	(2,072,219)	(1,649,199)
Investment revenue		36,638	47,038
Finance costs		(7)	(70)
Net cash outflow from operating activities		(2,035,588)	(1,602,231)
Cash flows from financing activities			
Proceeds on share issue	4	1,639,336	100
Increase in related party loan payable		-	2,397,000
Net cash inflow from financing activities		1,639,336	2,397,100
Total cash movement for the year		(396,252)	794,869
Cash at the beginning of the year		794,869	-
Total cash at the end of the year	3	398,617	794,869



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest rate method. These include trade and other receivables, cash and cash equivalents, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.2 Share capital and equity

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

1.3 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
2. Trade and other receivables		
Deposits	12,000	12,000
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	101
Bank balances	398,617	794,768
	398,617	794,869
4. Share capital		
Authorised		
4 000 000 Ordinary shares of R 1 each	4,000,000	4,000,000
Issued		
1 639 436 Ordinary shares of R1 each	1,639,436	100
5. Related party loan payable		
Holding company		
HCL Investments (PTE) Ltd	2,397,000	2,397,000
The loans are unsecured, interest free and repayable by mutual agreement.		
6. Trade and other payables		
Accruals	89,329	-
Trade payables	2,895	(2,089)
	92,224	(2,089)
7. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Rent	146,196	-
Loss on exchange differences	5,078	-
Employee costs	1,373,124	278,307
8. Cash used in operations		
Loss before taxation	(2,129,901)	(1,588,142)
Adjustments for:		
Investment revenue	(36,638)	(47,038)
Finance costs	7	70
Changes in working capital:		
Trade and other receivables	-	(12,000)
Trade and other payables	94,313	(2,089)
	(2,072,219)	(1,649,199)



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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9. Taxation

No provision has been made for 2013 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 3,651,953 (2012: R 1,559,914).

10. Reviewers' remuneration

Accounting fees	181,435	111,410
Consulting	-	22,800
Fees for review	-	10,000
Tax and secretarial services	3,420	(6,638)
	<u>184,855</u>	<u>137,572</u>



HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2013

Detailed Income Statement

Figures in Rand	Note	2013	2012
Reimbursement of expenses		474,487	-
Other income			
Investment revenue		36,638	47,038
Operating expenses			
Bank Charges		6,058	8,967
Connectivity costs		68,968	16,631
Consulting fees		365,292	527,000
Employee costs		1,373,124	278,307
Entertainment		32,879	26,866
Gifts		-	8,000
Operating lease rentals		146,196	-
Loss on exchange differences		5,078	-
Motor vehicle expenses		105,010	53,645
Postage		6,331	899
Printing and stationery		12,285	-
Relocation costs		80,360	74,000
Reviewers' remuneration	10	184,855	137,572
Setup costs		-	36,628
Software expenses		8,708	-
Staff welfare		28,572	2,960
Subscriptions		-	6,000
Telephone and fax		8,102	-
Travel - overseas		209,201	457,635
		2,641,019	1,635,110
Operating loss	7	(2,129,894)	(1,588,072)
Finance costs		(7)	(70)
Loss for the year		(2,129,901)	(1,588,142)



