

HCL INFOSYSTEMS SOUTH AFRICA (PTY) LTD
(Registration number 2011/010561/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

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	Building No. 3 Glass House Office Park 309 Umhlanga Rocks Drive La Lucia Ridge 4319
Postal address	P.O. Box 1582 Mount Edgecombe 4301
Banker	First National Bank Limited
Reviewer	Accensis 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 2014

Index

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

Index	Page
Independent Practioner's Review 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 Practitioner's Review 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, which comprises the statement of financial position as at 30 June 2014, 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, other explanatory notes and the directors' report, as set out on pages 5 to 13.

Managements' Responsibility for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of HCL Infosystems South Africa (Pty) Ltd as at 28 February 2014, its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.



Accensis Incorporated
Registered Auditors
Per: S. Naidoo
Director

15 August 2014
Durban

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

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.

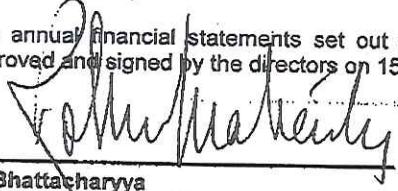
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 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 reviewer and his 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 15 August 2014.

x


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 2014

Directors' Report

The directors submit their report for the year ended 30 June 2014.

1. Review of activities

Main business and operations

The company is engaged in IT and computer software services and 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 2014, the company had accumulated losses of R 4,030,743 (2013: R 3,718,043) and that the company's total liabilities exceed its assets by R 2,391,307 (2013 : R 2,078,607).

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.

3. Events after the reporting period

The shareholder has made the decision to deregister the company.

4. Authorised and issued share capital

There were no changes in authorised or issued share capital during the year under review.

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
R. Bhattacharyya	Indian	
R. Kalidin	South African	Appointed 15 July 2013

7. Secretary

The company had no secretary during the year.

8. 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 2014

Statement of Financial Position

Figures in Rand	Notes	2014	2013
Assets			
Current Assets			
Trade and other receivables	2	179,365	12,000
Cash and cash equivalents	3	184,811	398,617
		<u>364,176</u>	<u>410,617</u>
Total Assets		<u>364,176</u>	<u>410,617</u>
Equity and Liabilities			
Equity			
Share capital	4	1,639,436	1,639,436
Accumulated loss		(4,030,743)	(3,718,043)
		<u>(2,391,307)</u>	<u>(2,078,607)</u>
Liabilities			
Current Liabilities			
Related party loan payable	5	2,397,000	2,397,000
Trade and other payables	6	358,483	92,224
		<u>2,755,483</u>	<u>2,489,224</u>
Total Equity and Liabilities		<u>364,176</u>	<u>410,617</u>

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Comprehensive Income

Figures in Rand	Note	2014	2013
Reimbursement for expenses		2,091,601	474,487
Operating expenses		(2,409,880)	(2,641,019)
Operating loss	8	(318,279)	(2,166,532)
Investment revenue		5,665	36,638
Finance costs		(86)	(7)
Loss for the year		(312,700)	(2,129,901)

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
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 01 July 2013	1,639,436	(3,718,043)	(2,078,607)
Loss for the year	-	(312,700)	(312,700)
Balance at 30 June 2014	1,639,436	(4,030,743)	(2,391,307)

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Cash Flows

Figures in Rand	Notes	2014	2013
Cash flows from operating activities			
Cash used in operations	9	(219,385)	(2,072,219)
Investment revenue		5,665	36,638
Finance costs		(86)	(7)
Net cash outflow from operating activities		(213,806)	(2,035,588)
Cash flows from financing activities			
Proceeds on share issue	4	-	1,639,336
Total cash movement for the year		(213,806)	(396,252)
Cash at the beginning of the year		398,617	794,869
Total cash at the end of the year	3	184,811	398,617

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

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 2014

Notes to the Annual Financial Statements

Figures in Rand

	2014	2013
2. Trade and other receivables		
Deposits	12,000	12,000
Trade receivables	167,365	-
	<u>179,365</u>	<u>12,000</u>
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	184,811	398,617
4. Share capital		
Authorised		
4,000,000 Ordinary shares of R1 each	4,000,000	4,000,000
Issued		
1 639 436 Ordinary shares of R1 each	1,639,436	1,639,436
5. Related party loan payable		
Holding company		
HCL Investments PTE. Ltd	2,397,000	2,397,000
The loan is unsecured, interest free and repayable by mutual agreement.		
For related party relationship, refer to note 11.		
6. Trade and other payables		
Accruals	23,013	89,329
Other payables	170,617	-
Trade payables	164,853	2,895
	<u>358,483</u>	<u>92,224</u>
7. Reviewer's remuneration		
Accounting fees - monthly fees	105,678	181,435
Accounting fees - consulting fees	21,267	-
Accounting fees - 2013 review fees	9,120	-
Accounting fees - tax and secretarial services	4,597	3,420
Winding down costs - monthly fees	23,484	-
Winding down costs - 2014 review fees	9,120	-
Winding down costs - taxation services	4,560	-
Winding down costs - secretarial services	8,550	-
	<u>177,256</u>	<u>184,855</u>

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand

	2014	2013
8. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Rent	112,050	146,196
Loss on exchange differences	1,976	5,078
Employee costs	919,594	1,373,124
9. Cash used in operations		
Loss before taxation	(312,700)	(2,129,901)
Adjustments for:		
Investment revenue	(5,665)	(36,638)
Finance costs	86	7
Changes in working capital:		
Trade and other receivables	(167,365)	-
Trade and other payables	266,259	94,313
	(219,385)	(2,072,219)
10. Taxation		
No provision has been made for 2014 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 3,962,022 (2013: R 3,651,953).		
11. Related party		
Relationship		
Holding company	HCL Investments PTE. Ltd	
Related party balances		
For related party balances, refer to note 5.		

HCL Infosystems South Africa (Pty) Ltd

(Registration number 2011/010561/07)

Annual Financial Statements for the year ended 30 June 2014

Detailed Income Statement

Figures in Rand	Notes	2014	2013
Reimbursement of expenses		2,091,601	474,487
Other income			
Investment revenue		5,665	36,638
Operating expenses			
Advertising		403	-
Bank Charges		3,868	6,058
Connectivity costs		77,055	68,968
Consulting fees		-	365,292
Employee costs		919,594	1,373,124
Entertainment		14,904	32,879
Operating lease rentals		112,050	146,196
Loss on exchange differences		1,976	5,078
Motor vehicle expenses		187,190	105,010
Packaging		566,344	-
Postage		-	6,331
Printing and stationery		-	12,285
Relocation costs		-	80,360
SARS interest and penalties		-	-
Reviewer's remuneration		2,631	-
Software expenses	7	177,256	184,855
Staff welfare		-	8,708
Telephone and fax		-	28,572
Travel - overseas		-	8,102
		346,609	209,201
Operating loss		2,409,880	2,641,019
Finance costs	8	(312,614)	(2,129,894)
		(86)	(7)
Loss for the year		(312,700)	(2,129,901)