

Special Purpose Financial Statements and Independent Auditor's Report

The Capital Markets Company (UK) Limited

31 March 2022

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of The Capital Markets Company (UK) Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of The Capital Markets Company (UK) Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the period 29 April 2021 ('the date of acquisition by Wipro Limited of Capco Group') to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of Section 129(3) of the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the period 29 April 2021 to 31 March 2022.

Basis for Opinion

Management's and Board of Directors' Responsibilities for the Special Purpose Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these special purpose financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of The Capital Markets Company (UK) Limited

Management's and Board of Directors' Responsibilities for the Special Purpose Financial Statements (continued)

In preparing the special purpose financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 SAs 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 special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of special purpose financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (continued)

To the Members of The Capital Markets Company (UK) Limited

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements (continued)

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

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the special purpose financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The financial statements are prepared to assist Wipro Limited to comply with preparation of consolidated financial statements. This audit opinion has been issued solely for the purpose of inclusion in the annual report of the Ultimate Holding Company (Wipro Limited) under the requirements of Section 129(3) of the Act. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this audit opinion is shown or into whose hands it may come without our prior consent in writing.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Sd/-

Amrit Bhansali

Partner

Membership No. 065155

UDIN: 22065155AKOLFM8862

Place: Bengaluru

Date: 8 June 2022

The Capital Markets Company (UK) Limited
Balance Sheet

(Amount in '000 GBP, except share and per share data, unless otherwise specified)

	Note	As at 31 March 2022
ASSETS		
Non-current assets		
Property, plant and equipment	5	1,398
Right-of-use assets	6	4,022
Financial assets		
Investments	7	1
Other financial assets	8	55
		5,476
Current assets		
Financial assets		
Trade receivables	9	73,384
Unbilled receivables	9A	18,984
Cash and cash equivalents	10	4,560
Loans		4,828
Contract assets		922
Other current assets	11	3,222
		105,900
		111,376
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12	5,066
Other equity	13	(4,658)
		408
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	27	2,997
Other financial liabilities	14	1,249
		4,246
Current liabilities		
Financial liabilities		
Borrowings	15	41,222
Lease liabilities	27	1,099
Trade payables	16	
i) total outstanding dues of micro enterprises and small enterprises		-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		3,065
Other financial liabilities	14	45,961
Contract liabilities		423
Provisions	17	1,973
Other liabilities	18	12,854
Current tax liabilities (net)		125
		106,722
		111,376
Summary of significant accounting policies	2	

The accompanying notes form an integral part of these financial statements

As per our report of even date

for B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sd/-

Amrit Bhansali
Partner

Membership No: 065155

Place: Bengaluru

Date: 8 June 2022

For and on behalf of the Board of Directors of
The Capital Markets Company (UK) Limited

Sd/-

Harpreet Arora
Director

Place: London

Date: 8 June 2022

Sd/-

Omkar Nisal
Director

Place: London

Date: 8 June 2022

The Capital Markets Company (UK) Limited
Statement of Profit and Loss
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

	Notes	For the period 29 April 2021 to 31 March 2022
REVENUE		
Revenue from operations	19	212,343
Other income	20	3,045
Total income		215,388
EXPENSES		
Employee benefit expense	21	137,543
Depreciation and amortisation expense	5,6	1,789
Finance costs	22	3,076
Other expenses	23	66,528
Total expenses		208,936
Profit or (Loss) before tax		6,452
Current tax		125
Deferred tax		-
Tax expense		125
Profit or (Loss) for the period		6,327
Other comprehensive income		-
Total comprehensive income / (loss) for the period		6,327

The accompanying notes form an integral part of these financial statements

As per our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
The Capital Markets Company (UK) Limited

Sd/-

Amrit Bhansali
Partner
Membership No: 065155

Place: Bengaluru
Date: 8 June 2022

Sd/-

Harpreet Arora
Director

Place: London
Date: 8 June 2022

Sd/-

Omkar Nisal
Director

Place: London
Date: 8 June 2022

The Capital Markets Company (UK) Limited
Statement of changes in equity
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

	As at 31 March 2022	
	No. of shares	Amount
Equity shares issued, subscribed and fully paid		
Opening	1	5,066
Add: issued during the period	-	-
Closing	1	5,066

(B) Other equity

	Reserve and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at 29 April 2021	-	-	(10,985)	(10,985)
Profit for the period	-	-	6,327	6,327
Other comprehensive income	-	-	-	-
Total other comprehensive income for the period	-	-	(4,658)	(4,658)
Balance as at 31 March 2022	-	-	(4,658)	(4,658)

The accompanying notes form an integral part of these financial statements

As per our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of The
Capital Markets Company (UK) Limited

Sd/-

Sd/-

Sd/-

Amrit Bhansali
Partner
Membership No: 065155

Harpreet Arora
Director

Omkar Nisal
Director

Place: Bangalore
Date: 8 June 2022

Place: London
Date: 8 June 2022

Place: London
Date: 8 June 2022

The Capital Markets Company (UK) Limited

Statement of cash flows

(Amount in '000 GBP, except share and per share data, unless otherwise specified)

For the period 29 April
2021
to 31 March 2022

A. Cash flow from operating activities	
Profit / (Loss) for the period	6,452
Adjustments	
Depreciation and amortisation expense	1,789
Unrealised foreign exchange loss, net	695
Employee stock option cost	924
Interest income	(3,040)
Interest expense	3,076
Operating profit / (loss) before working capital changes	9,896
Adjustments for working capital changes:	
Trade and other receivables	(49,009)
Loans and advances and other assets	(1,295)
Trade and other payables	23,499
Net cash used in operations	(16,909)
Direct taxes (paid) / refund	(9)
Net cash used in operating activities	(16,918)
B. Cash flows from investing activities:	
Acquisition of plant and equipment (including advances)	(662)
Interest received	3,040
Net cash generated by / (used in) investing activities	2,378
C. Cash flows from financing activities:	
Repayment of lease liability	(947)
Repayment of borrowings	(4,240)
Loans granted	(1,892)
Proceeds from inter company borrowings	16,748
Interest paid	(3,076)
Net cash generated by financing activities	6,593
Net (decrease) in cash and Cash equivalents during the period	(7,947)
Cash and cash equivalents at the beginning of the period	13,202
Effect of exchange rate changes on Cash	(695)
Cash and cash equivalents at the end of the period (Refer Note 10)	4,560
The accompanying notes form an integral part of these financial statements	

As per our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
The Capital Markets Company (UK) Limited

Sd/-

Amrit Bhansali
Partner
Membership No: 065155
Place: Bangalore
Date: 8 June 2022

Sd/-

Harpreet Arora
Director
Place: London
Date: 8 June 2022

Sd/-

Omkar Nisal
Director
Place: London
Date: 8 June 2022

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

1 General Information

The Capital Markets Company (UK) Ltd is a subsidiary of The Capital Markets Company BVBA, incorporated and domiciled in United Kingdom. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products.. The functional currency of the Company is GBP. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

The special purpose financial statement of The Capital Markets Company (UK) Limited comprises the balance sheets as at 31 March 2022; the statement of profit and loss, the statement of cash flow, the statement of changes in equity and a summary of significant accounting policies and other explanatory information for the period ended 31 March 2022, and other additional financial disclosures.

The special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013. Since, the Company was acquired on 29 April 2021, the financial information is provided only for the period 29 April 2021 to 31 March 2022 for which the Company was subsidiary of Wipro Limited. The comparative financial information have not been presented as the Company was not part of the Wipro Limited Group for the year ended 31 March 2021. As a result, the special purpose financial statements may not be suitable for any other purpose.

Except for the presentation of comparative financial information, the special purpose financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any. The financial performance and position of the Company and the subsidiaries are included in the consolidated financial statements of Wipro Limited, incorporated under the Companies Act, 2013, with effect from 21 February 2020 and having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035.

The financial statement is prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act").

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(iii) Use of estimates and judgement

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

2.2 Financial instruments

Non-derivative financial instruments:

Non derivative financial instruments consist of:

- financial assets ,which includes cash and cash equivalents,trade receivables and eligible current and non current
- financial liabilities,which includes trade payables,eligible current and non current liabilities.

These financial instruments are recognised initially at fair value.Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset has been transferred. In cases where substantial risks and rewards of ownership of the financial asset are neither transfered or retained ,financial asset are de-recognised only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft 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 includes cash on hand, cash in banks and short-term deposits net of bank overdraft.

B. Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets

C. Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial Instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

2.3 Revenue recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

A Time and material contracts

Revenues and costs relating to time and material contracts are recognized as the related services are rendered.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

B Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled receivables on other than fixed-price development contracts are classified as a financial asset where the right to consideration is unconditional and only the passage of time is required before the payment is due.

C Maintenance contracts

Revenue from maintenance contracts is recognized rateably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

Revenue recognition is done on straight line basis over the term of performance obligation using the output method (with respect to time)

D Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs. Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.

Contract expenses are recognised as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

E Other income

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

2.4 Property, plant and equipment

A Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

B Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows

Category	Useful life
Computer including software	3 to 5 years
Office Equipment	3 to 5 years
Furniture, fixtures and equipment	3 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits and advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

Softwares which are embedded to tangible assets are classified as computer equipment in property, plant and equipment.

2.5 Foreign currency transactions and translations

Functional currency

The functional currency of the Company is British Pound Sterling. These financial statements are presented in British Pound Sterling.

Transaction

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction. Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of balance sheet. The exchange difference between the rate at which foreign currency transactions are accounted and the rate at which they are re-measured/ realized is recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

2.6 Employee benefits

Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss account.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Non-accumulating compensated absences are recognized in the period in which the absences occur

Pension and social contribution

Pension and social contribution plan, a defined contribution scheme, the Company makes monthly contributions based on a specified percentage of each covered employee's salary.

2.7 Taxes

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered 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 period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

The Company enters into an arrangement for lease of land, buildings, plant and equipment including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

- (a) control use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option. The Company at the commencement of the lease contract recognises a RoU asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short-term leases) and low-value assets. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the RoU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the RoU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The RoU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of RoU assets. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non financial assets below. For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognises the amount of the re measurement of lease liability as an adjustment to the RoU assets. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re measurement in consolidated statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows.

2.9 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

2.10 Equity and share capital

(a) Share capital

The authorized share capital of the Company as of 31 March 2022 is GBP 5,065,886 divided into 1 equity share

The voting right of an equity share holder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity. Voting right cannot be exercised in respect of shares on which any call or other sums presentably payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

2.11 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

2.13 Impairment of non-financial assets

The Company assesses at each period end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in statement of profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets.

2.14 Employee stock option

Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company. These plans are assessed, managed and administered by the ultimate holding company. The ultimate holding company recharges to the Company such compensation costs which has been disclosed as "Share based compensation charge" in the statement of profit and loss under Note 16 on "Employee benefit expenses".

Employees covered under Stock Option Plans and Restricted Stock Unit ("RSU") Option Plans (collectively "**Stock Option Plans**") are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of two to three years from the date of grant. Upon vesting, the employees can acquire one equity share for every option.

The Capital Markets Company (UK) Limited grants the Participant RSUs and Performance linked RSU's as per ADS Restricted Stock Unit Plan, 2004 which give the Participant the right to purchase that number of Shares set forth in the Notice of Grant, at the per Share purchase price set forth in the Notice of Grant. The intrinsic value for these RSU's is calculated based on the share price on the date on acceptance of the plan.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the period end 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 described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Capital Markets Company (UK) Limited
Summary of significant accounting policies and other explanatory information
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

(a) **Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. 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 together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

(b) **Defined benefit plans - leave encashment**

The cost of the defined benefit plans such as leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each period end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

4 New Accounting standards adopted by the Company

The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the preparation of the Company's annual standalone financial statements for the period ended 31 March 2022

Amendment to Ind AS 1 and Ind AS 8 - Definition of

The Ministry of Corporate Affairs (MCA) issued Amendment to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors to update a new definition of material in Ind AS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in Ind AS Standards. The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The adoption of the amendment to Ind AS 1 and Ind AS 8 did not have any material impact on its evaluation of materiality in relation to the financial statements.

Amendment to Ind AS 116 - Leases

The MCA issued amendments to Ind AS 16, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before 30 June 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. Accordingly, the Company recognized Nil as reversal of lease liability in the statement of profit or loss for the period ended 31 March 2022.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

5 Property, plant and equipment

	Furniture and fixtures	Computers	Office equipment	Total
Gross block (at cost)				
Balance as at 29 April 2021	4,227	3,611	409	8,247
Additions	-	662	-	662
Disposals/adjustment	-	-	-	-
Balance as at 31 March 2022	4,227	4,273	409	8,909
Accumulated depreciation				
Balance as at 29 April 2021	(3,575)	(2,851)	(317)	(6,743)
Depreciation charge	(161)	(547)	(60)	(768)
Disposals/adjustment	-	-	-	-
Balance as at 31 March 2022	(3,736)	(3,398)	(377)	(7,511)
Net block				
Balance as at 31 March 2022	491	875	32	1,398

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

6 Right-of-use assets

Particulars	Buildings/ Lease Hold	Total
Gross block		
Balance as at 29 April 2021	4,817	4,817
Additions during the period	226	226
Disposals during the period	-	-
Balance as at 31 March 2022	5,043	5,043
Accumulated depreciation		
Balance as at 29 April 2021	-	-
Charge for the period	(1,021)	(1,021)
Disposals/Adjustment	-	-
Balance as at 31 March 2022	(1,021)	(1,021)
Net block		
Balance as at 31 March 2022	4,022	4,022

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

7 Investments

	As at 31 March 2022
Investment in equity instrument designated as at fair value through OCI (fully paid) Unquoted equity shares - Refer Note 1	1
Current	-
Non- Current	1
	1
Aggregate book value of:	
Quoted investments	-
Unquoted investments	1

Note 1:

Name	Percentage of Holding as on 31 March 2022
Capco (UK) 1, Limited	100%
The Capital Markets Company Limited (Hong Kong)	1%
Capco Consultancy (Thailand) Ltd	1%

Note 2: Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of the subsidiary	Currency	Face Value	No of Units	Balances as at 31 March 2022		
			31 March 2022	Gross Value	Impairment	Net Value
Capco (UK) 1, Limited *	GBP			-	-	-
The Capital Markets Company Limited (HK) *	GBP			-	-	-
Capco Consultancy (Thailand) Ltd	GBP	THB 100	550	1	-	1
Total				1	-	1

* As per local laws, there is no concept of issuance of share certificate. Hence the investment by the company is considered as equity contribution.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

		As at 31 March 2022
8	Other financial assets	
	Non-current	
	Security deposits	55
		55
9	Trade receivables	
	Unsecured	
	Considered good	73,384
	Considered doubtful	-
	Less-Allowance for bad and doubtful debts	-
		73,384
	Further classified as:	
	Receivable from related parties (Refer Note 28)	60,400
	Receivable from others	12,984

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6M - 1 year	1-2 Years	2-3 Years	> 3 years	
(i) Undisputed trade receivables - considered good	72,484	900	-	-	-	-	73,384
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	72,484	900	-	-	-	-	73,384

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

9A Unbilled receivables

Unsecured

Considered good	18,984
Considered doubtful	-
Less-Allowance for bad and doubtful debts	-
	18,984

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6M - 1 year	1-2 Years	2-3 Years	> 3 years	
(i) Undisputed Unbilled revenue - considered good	18,984	-	-	-	-	-	18,984
(ii) Undisputed Unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Unbilled revenue - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Unbilled revenue - considered good	-	-	-	-	-	-	-
(iv) Disputed Unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Unbilled revenue - credit impaired	-	-	-	-	-	-	-
Total	18,984	-	-	-	-	-	18,984

10 Cash and cash equivalents

Balances with banks	4,560
- in current account	-
	4,560

11 Other assets

Current

Prepaid expenses	3,159
Other receivable	32
Employee travel and other advances	31
	3,222

12 Share capital

Authorised

10,000,000 shares	10,000
	10,000

Issued, subscribed and paid-up

1 ordinary share	5,066
	5,066

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Number of shares
Outstanding at the beginning of the period	1
Add: Issued during the period	-
Outstanding at the end of the period	1

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of 1 GBP per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

	31 March 2022	
	Number of shares	% of holding in the class
The Capital Markets Company BVBA	1	100
1 ordinary share of £1	1	100

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2022	
	Number of shares	% of holding in the class
The Capital Markets Company BVBA	1	100
	1	100

e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period end.

f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current period end.

13 Other equity

	As at 31 March 2022
Surplus/(deficit) in the statement of profit and loss	
Opening balance	(10,985)
Add: Net Profit for the current period	6,327
Closing balance	(4,658)

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

14 Other financial liabilities

Non Current

Accrued bonus	1,249
	1,249

Current

Accrued salaries and bonus	15,594
Payable to related parties*	30,367
	45,961

* includes payable to related parties (Refer Note 28)

15 Borrowings

i Current Borrowings

Loans payable on demand(Unsecured)*	41,222
	41,222

* The unsecured loans are taken from related parties (Refer Note 28) and payable on demand. The interest rate on Inter company loans is between 4.79% to 5.50 %.

16 Trade payables

i)Total outstanding dues to micro, small and medium enterprises	-
ii)Total outstanding dues to creditors other than micro, small and medium enterprises	3,065
	3,065

Particulars	Outstanding for following periods from due date of payment					
	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3,051	14	-	-	-	3,065
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

17 Provisions

Current

Employee benefit obligation	1,973
	1,973

18 Other liabilities

Current

Statutory liabilities	12,845
Advance from customers	9
	12,854

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

	For the period 29 April 2021 to 31 March 2022
19 Revenue from operations	
Sale of services*	212,343
Total revenue from operations	212,343
* The amount includes related party transaction. Refer Note 28	
20 Other income	
Interest income *	3,040
Miscellaneous Income	5
	3,045
* The amount includes related party transaction. Refer Note 28	
21 Employee benefits expense	
Salaries and wages	135,988
Share based compensation (Refer Note 25)	924
Staff welfare expenses	631
	137,543
22 Finance cost	
Interest on loans and advances*	2,966
Interest on leases	110
	3,076
* The amount includes related party transaction. Refer Note 28	
23 Other expenses	
Sub contracting / technical fees / third party application*	54,927
Facility expenses	4,187
Legal and professional charges	3,833
Travel	864
Foreign exchange loss, net	481
Communication	258
Bank charges	18
Miscellaneous expenses	1,960
	66,528
* The amount includes related party transaction. Refer Note 28	

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

24 Earning per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2022
Loss attributable to equity holders	6,327
Less: preference dividend after-tax	-
Loss attributable to equity holders after preference dividend	6,327
Add: Interest on convertible preference shares	-
Loss attributable to equity holders adjusted for the effect of dilution	6,327
Weighted average number of equity shares - for basic and diluted EPS	1
Earnings per share - Basic and diluted	6,327

25 Income tax

	31 March 2022
Income tax expense	-
Current tax	125
Deferred tax	-
Total income taxes	125
Profit / (Loss) before taxation	6,452
Enacted income tax rate	19%
Computed expected tax expenses	1,226
Effect of	
Expenses disallowed for tax purposes	-
C/f loss set off	(1,018)
Group relief	(83)
Income tax expense	125

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

26 Employee stock option

Name of Plan	Number of options reserved under the plan	Range of exercise price
Wipro ADS Restricted Stock Unit Plan (ADS Restricted Stock Unit Plan, 2004) *	628,250	USD Equivalent of INR 2
Wipro ADS Performance Linked Restricted Stock Unit Plan (ADS Restricted Stock Unit Plan, 2004) *	280,556	USD Equivalent of INR 2

* The maximum contractual term for these Stock Option Plans and RSU Option Plans is perpetual until the options are available for grant under the plan.

Employees covered under Stock Option Plans and Restricted Stock Unit (“RSU”) Option Plans (collectively “Stock Option Plans”) are granted an option to purchase shares of Wipro Limited at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of two to three years from the date of grant. Upon vesting, the employees can acquire one equity share for every option.

The activity in equity-settled stock option plans and restricted stock unit option plan is summarised below:

	Range of exercise price and Weighted average exercise price	Weighted average exercise price	Weighted average remaining life (months)	Period ended	Period ended
				March 31, 2022	March 31, 2022
				Number of options	Amount
Outstanding at the beginning of the period				-	-
Granted	INR 2	INR 2	35	908,806	924
Exercised				-	-
Modification				-	-
Forfeited and expired				-	-
Outstanding at the end of the period	INR 2	INR 2	35	-	-
Exercisable at the end of the period				908,806	924

The weighted average grant date fair value of options granted during the period ended 31 March 2022 is Rs 561.34 for each option.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

27 Leases

i) The carrying amount of right-of-use assets recognized and the movements during the period

	Amount
Balance as at 29 April 2021	4,817
Add: Initial direct cost	-
Add: Addition during the period	226
On account of remeasurement of lease liability	-
Less: Depreciation charged for the period	(1,021)
Balance as at 31 March 2022	4,022

ii) The carrying amount of lease liability recognised and the movements during the period

	Amount
Balance as at 29 April 2021	4,817
Add: Addition during the period	226
Less : Payment during the period	(947)
Balance as at 31 March, 2022	4,096
Current	1,099
Non Current	2,997
Total	4,096

iii) The following are the amounts recognised in statement of profit and loss:

	Amount
Leases commitments for short term leases for which Ind AS 116 is not applicable	-
Income from subleasing right-of-use assets	-
Loss on termination of leases	-
Interest on lease liabilities	110
Depreciation on ROU assets	1,021

iv) Amounts recognised in the statement of cash flows

	Amount
Cash payments for principal portion of lease liability	947
Cash payments for interest portion of lease liability	110

v) Maturity analysis

	Amount
Not later than 1 year	1,099
Later than 1 year and not later than 5 years	2,997
More than 5 years	-
Total undiscounted lease liabilities at March 31, 2022	4,096

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

28 Related party disclosures

a) Parties where control exists:

<u>Name</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
Wipro Limited	Ultimate Holding company	India
The Capital Markets Company BVBA	Holding Company	Belgium
Capco (UK) 1, Limited	Subsidiary	UK
<u>Others</u>		
ATOM Solutions LLC	Fellow subsidiary	US
Capco Austria GmbH	Fellow subsidiary	Austria
Capco Brasil Serviços e Consultoria em Informática Ltda	Fellow subsidiary	Brazil
The Capital Markets Company Limited (Canada)	Fellow subsidiary	Canada
The Capital Markets Company Limited (Hong Kong)	Fellow subsidiary	Hong Kong
The Capital Markets Company GmbH	Fellow subsidiary	Germany
The Capital Markets Company S.A.S.	Fellow subsidiary	France
Capco Technologies Pvt. Ltd	Fellow subsidiary	India
Capco Consultancy (Malaysia) Sdn. Bhd.	Fellow subsidiary	Malaysia
NEOS LLC	Fellow subsidiary	US
The Capital Markets Company BV	Fellow subsidiary	Netherlands
Capco Poland Sp. z.o.o.	Fellow subsidiary	Poland
Capco Consulting Singapore Pte Ltd	Fellow subsidiary	Singapore
The Capital Markets Company Slovakia, s. r. o.	Fellow subsidiary	Slovakia
Andrion AG	Fellow subsidiary	Switzerland
The Capital Markets Company S.a.r.l.	Fellow subsidiary	Switzerland
Capco Consultancy (Thailand) Ltd	Fellow subsidiary	Thailand
The Capital Markets Company (UK) Ltd	Fellow subsidiary	UK
Capco Consulting Services LLC	Fellow subsidiary	US
The Capital Markets Company LLC	Fellow subsidiary	US
Capco RISC Consulting LLC	Fellow subsidiary	US
Capco Greece Single Member Private Company	Fellow subsidiary	Greece
Capco Belgium BV	Fellow subsidiary	Belgium
Cardinal US Holdings Inc	Fellow subsidiary	US
CapAfric Consulting Proprietary Limited	Fellow subsidiary	South Africa
CAPCO (US) LLC	Fellow subsidiary	US

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

b) The Company has the following related party transactions:

Particulars	As at 31 March <u>2022</u>
<u>Sale of services</u>	
ATOM Solutions LLC	2
Capco Austria GmbH	181
The Capital Markets Company BVBA	1,411
Capco Brasil Serviços e Consultoria em Informática Ltda	312
The Capital Markets Company Limited (Canada)	3,806
The Capital Markets Company Limited (Hong Kong)	696
The Capital Markets Company GmbH	1,587
The Capital Markets Company S.A.S.	1,434
Capco Technologies Pvt. Ltd	1,113
Capco Consultancy (Malaysia) Sdn. Bhd.	254
NEOS LLC	27
The Capital Markets Company BV	398
Capco Poland Sp. z.o.o.	213
Capco Consulting Singapore Pte Ltd	126
The Capital Markets Company Slovakia, s. r. o.	67
Andrion AG	25
The Capital Markets Company S.a.r.l.	3,538
Capco Consultancy (Thailand) Ltd	76
The Capital Markets Company (UK) Ltd	3,111
Capco Consulting Services LLC	1,410
The Capital Markets Company LLC	20,372
Capco RISC Consulting LLC	1,393
Wipro Limited	1,347
<u>Sub contracting / technical fees / third party application</u>	
Capco Austria GmbH	185
The Capital Markets Company BVBA	2,253
Capco Belgium BV	21
Capco Brasil Serviços e Consultoria em Informática Ltda	7
The Capital Markets Company Limited (Canada)	599
The Capital Markets Company Limited (Hong Kong)	916
The Capital Markets Company GmbH	1,351
The Capital Markets Company S.A.S.	371
Capco Greece Single Member Private Company	5,327
Capco Technologies Pvt. Ltd	12,946
Capco Consultancy (Malaysia) Sdn. Bhd.	55
NEOS LLC	20
Capco Poland Sp. z.o.o.	807
The Capital Markets Company Slovakia, s. r. o.	1,612
Andrion AG	12
The Capital Markets Company S.a.r.l.	333
Capco Consultancy (Thailand) Ltd	21
The Capital Markets Company (UK) Ltd	3,074
Capco Consulting Services LLC	76
The Capital Markets Company LLC	8,173
Capco RISC Consulting LLC	18
Others	113
Wipro Limited	67

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

Interest income

ATOM Solutions LLC	7
Capco Austria GmbH	12
The Capital Markets Company BVBA	260
Capco Brasil Serviços e Consultoria em Informática Ltda	16
The Capital Markets Company Limited (Canada)	215
Cardinal US Holdings Inc	61
The Capital Markets Company Limited (Hong Kong)	55
The Capital Markets Company GmbH	135
The Capital Markets Company S.A.S.	70
Capco Greece Single Member Private Company	4
Capco Consultancy (Malaysia) Sdn. Bhd.	10
NEOS LLC	1
The Capital Markets Company BV	52
Capco Poland Sp. z.o.o.	4
CapAfric Consulting Proprietary Limited	1
Capco Consulting Singapore Pte Ltd	27
The Capital Markets Company S.a.r.l.	181
Capco Consultancy (Thailand) Ltd	36
Capco (UK) 1, Limited	19
Capco Consulting Services LLC	138
The Capital Markets Company LLC	1,637
Capco RISC Consulting LLC	99

Interest expenses

The Capital Markets Company BVBA	625
Capco Brasil Serviços e Consultoria em Informática Ltda	90
Capco Technologies Pvt. Ltd	863
The Capital Markets Company Limited (Canada)	480
The Capital Markets Company Limited (Hong Kong)	198
The Capital Markets Company S.A.S.	218
Capco Greece Single Member Private Company	20
Capco Consultancy (Malaysia) Sdn. Bhd.	9
Capco Poland Sp. z.o.o.	4
The Capital Markets Company Slovakia, s. r. o.	217
The Capital Markets Company S.a.r.l.	99
Capco (UK) 1, Limited	99
The Capital Markets Company LLC	44

Loans received during the period

The Capital Markets Company BVBA	(309)
The Capital Markets Company S.A.S.	(4)
The Capital Markets Company S.a.r.l.	(49)
The Capital Markets Company Slovakia, s. r. o.	(211)
The Capital Markets Company Limited (Hong Kong)	(148)
Capco Technologies Pvt. Ltd	(5,899)
Andrion AG	(238)
The Capital Markets Company LLC	(8,745)
Capco Brasil Serviços e Consultoria em Informática Ltda	(95)
The Capital Markets Company Limited (Canada)	(1,287)

The Capital Markets Company (UK) Limited
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Loans granted during the period

ATOM Solutions LLC	7
The Capital Markets Company GmbH	100
The Capital Markets Company Limited (Canada)	215
The Capital Markets Company BV	52
CapAfric Consulting Proprietary Limited	1
Capco Consulting Singapore Pte Ltd	27
Capco Austria GmbH	12
Capco Brasil Serviços e Consultoria em Informática Ltda	16
Capco Consultancy (Thailand) Ltd	36
Capco Consulting Services LLC	138
Capco RISC Consulting LLC	98
Wipro Limited	883
Cardinal US Holdings Inc	81
NEOS LLC	1
Capco Greece Single Member Private Company	225

Loans repaid during the period

Capco (UK) 1, Limited	4,180
The Capital Markets Company BVBA	60

c) Balances with related parties as at period end are summarised below:

	As at
	31 March
	<u>2022</u>
i) <u>Balances other than loans :</u>	
Other financial liabilities	
The Capital Markets Company Limited (Hong Kong)	5,612
Capco Greece Single Member Private Company	4,400
Capco Technologies Pvt. Ltd	9,573
Capco Consultancy (Malaysia) Sdn. Bhd.	374
Capco Poland Sp. z.o.o.	598
CapAfric Consulting Proprietary Limited	7
The Capital Markets Company Slovakia, s. r. o.	5,682
Capco (UK) 1, Limited	2,642
Wipro Limited	1,481

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Trade receivables	
ATOM Solutions LLC	117
Capco Austria GmbH	202
The Capital Markets Company BVBA	1,542
Capco Belgium BV	3
Capco Brasil Serviços e Consultoria em Informática Ltda	593
The Capital Markets Company Limited (Canada)	7,873
The Capital Markets Company GmbH	1,121
The Capital Markets Company S.A.S.	3,054
NEOS LLC	37
The Capital Markets Company BV	1,426
Capco Consulting Singapore Pte Ltd	291
Andrion AG	10
The Capital Markets Company S.a.r.l.	6,598
Capco Consultancy (Thailand) Ltd	666
Capco Consulting Services LLC	3,946
The Capital Markets Company LLC	27,738
CAPCO (US) LLC	2
Wipro Limited	614
Capco RISC Consulting LLC	4,567

As at
31 March
2022

ii) Loan and borrowings :

Borrowings	
The Capital Markets Company BVBA	10,050
The Capital Markets Company S.A.S.	5,226
The Capital Markets Company Slovakia, s. r. o.	411
The Capital Markets Company S.a.r.l.	2,033
Capco (UK) 1, Limited	88
The Capital Markets Company LLC	1,335
The Capital Markets Company BVBA	4,095
The Capital Markets Company Limited (Canada)	14,204
Capco Brasil Serviços e Consultoria em Informática Ltda	3,780

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Loans

ATOM Solutions LLC	9
Capco Austria GmbH	34
Capco Brasil Serviços e Consultoria em Informática Ltda	85
The Capital Markets Company Limited (Canada)	346
Cardinal US Holdings Inc	552
The Capital Markets Company Limited (Hong Kong)	255
The Capital Markets Company GmbH	1,921
Capco Greece Single Member Private Company	225
Capco Consultancy (Malaysia) Sdn. Bhd.	19
NEOS LLC	1
The Capital Markets Company BV	70
Capco Poland Sp. z.o.o.	11
CapAfric Consulting Proprietary Limited	15
Capco Consulting Singapore Pte Ltd	31
Capco Consultancy (Thailand) Ltd	44
Capco Consulting Services LLC	196
Capco RISC Consulting LLC	131
Wipro Limited	883

29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment i.e. IT Services. Thus, as defined in Ind AS 108 “Operating Segments”, the Company’s entire business falls under this one operational segment and hence the necessary information has already been disclosed in the balance sheet and the statement of profit and loss.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

30 Fair values of financial assets and financial liabilities

There are no financial assets and liabilities that have been offset in the financials

The fair value of cash and cash equivalents, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Company usually provides to loan at a floating rate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company does not foresee such a risk as its current assets (excluding intercompany balance) are greater than its current liability (excluding intercompany balance)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particular	As at 31 March 2022			
	Fair value measurements at reporting date			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments	1	-	-	1
Other receivable	32	-	-	32
Employee travel and other advances	31	-	-	31
Trade receivables	73,384	-	-	73,384
Unbilled receivables	18,984	-	-	18,984
Cash and cash equivalents	4,560	-	-	4,560
Loans	4,828	-	-	4,828
Total	101,820	-	-	101,820
Financial liabilities				
Trade payables	3,065	-	-	3,065
Borrowings	41,222	-	-	41,222
Accrued salaries and bonus	16,843	-	-	16,843
Payable to related parties	30,367	-	-	30,367
Lease liabilities	4,095	-	-	4,095
Total	95,592	-	-	95,592

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

31 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. There are no long-term debt obligations as at 31 March 2022.

(ii) 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 the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.)

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
<u>31 March 2022</u>				
Borrowings		41,222		
Trade payables	-	3,065	-	-
Other financial liability	-	45,961	-	-
Lease liabilities	-	1,208	2,997	-
		91,456	2,997	-

32 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	<u>31 March 2022</u>
Equity Share Capital	5,066
Other Equity	(4,658)
Total equity	(i) 408
Borrowings other than convertible preference shares	41,222
Less: cash and cash equivalents	4,560
Total debt	(ii) 36,662
Overall financing	(iii) = (i) + (ii) 37,070
Gearing ratio	(ii)/ (iii) 0.99

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

33 Impact of Covid-19 on Going concern assumption

The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on 11 March 2020. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it’s resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended 31 March 2022 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges, etc. whenever the same is applicable. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

34 There are no contingent liabilities as at 31 March 2022.

The Capital Markets Company (UK) Limited
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 GBP, except share and per share data, unless otherwise specified)

35 Ratios analysis and its elements

Particulars	Numerator	Denominator	in times/%	As at 31 March 2022
Current ratio	Current assets	Current Liabilities excluding current maturities of long-term borrowings	in times	0.99
Debt equity ratio	Non - Current Borrowings + Current Borrowings	Total equity	in times	101.14

Particulars	Numerator	Denominator	in times/%	Period ended 31 March 2022
Debt service coverage ratio	Profit before Tax + Interest (Net) + Depreciation and	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt]]	in times	(110.86)
Return on equity ratio	Profit/(loss) for the period	Average Total Equity	in %	3105%
Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	in times	4.09
Trade payables turnover ratio	Total expenses - Depreciation - Interest - Payroll Cost	Average trade payables	in times	22.13
Net capital turnover ratio	Revenue from operations	Working Capital i.e (Avg Current Assets - Avg Current Liabilities)	in times	-282.56
Net profit ratio	Profit/(Loss) after tax	Total Income	in %	3%
Return on capital employed	Earnings before interest and taxes	Avg Equity + Avg Debt + Avg Leases	in %	25%
Return on investment	Dividend	Investment	in %	0%

As the Company is primarily engaged in IT sector (Service Industry), Inventory turnover ratio is not applicable to the Company.

As per our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sd/-

Amrit Bhansali
Partner

Membership No: 065155

Place: Bangalore
Date: 8 June 2022

For and on behalf of the Board of Directors of
The Capital Markets Company (UK) Limited

Sd/-

Harpreet Arora
Director

Place: London
Date: 8 June 2022

Sd/-

Omkar Nisal
Director

Place: London
Date: 8 June 2022