

**Financial Statements**

**Capco (Canada) LP**

**31 March 2022**

## **INDEPENDENT AUDITORS' REPORT**

To Capco (Canada) LP

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying special purpose financial statements of Capco (Canada) LP (“the Limited Partnership”), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss and the Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Special Purpose Financial Statements”). As explained in Note 2 to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited (“the Parent”) solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2022 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in generally accepted accounting principles of India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2 to the Special Purpose Financial Statements, of the state of affairs as at 31 March 2022, and profit, its cash flows for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of the Chartered Accountant of India. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Limited Partnership in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

#### **Basis of Accounting and Restriction on Use**

Without modifying our opinion, we draw attention to Note 2 to the Special Purpose Financial Statements, on the basis of the preparation to the special purpose financial statements. The Special Purpose Financial Statements are prepared for inclusion in the annual report of the Ultimate Holding Company under the requirements of Section 129(3) of the Companies Act, 2013. As a result, the Special Purpose Financial Statements may not suitable for any other purpose. Our report is intended solely for the Limited Partnership and Wipro Limited and should not be distributed to or used by parties other than Wipro Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Partnership, and ultimate holding company’s board of directors, for our audit work, for this report, or for the opinions we have formed.

## **Management Responsibility for the Special Purpose Financial Statements**

The Limited Partnership management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Partnership Limited in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets 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.

In preparing the special purpose financial statements, management are responsible for assessing the Limited Partnership'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 management either intends to liquidate the Limited Partnership ~~Company~~ or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Limited Partnership's financial reporting process.

## **Auditors' 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 auditors' 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 on whether the Limited Partnership has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause to cease to continue as a going concern; and

- 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.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Sd/-

Seethalakshmi M

Partner

Membership No. 208545

Bengaluru

20 June 2022

**Capco (Canada) LP**  
**Balance Sheet as at 31 March 2022**

(All amounts in CAD except otherwise stated)

Particulars	Notes	As at 31 March 2022
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Trade receivables		-
Cash and cash equivalents	4	6,192,017
Other current assets		-
<b>Total current assets</b>		<b>6,192,017</b>
<b>TOTAL ASSETS</b>		<b>6,192,017</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Reserves	5	524,121
<b>Total equity</b>		<b>524,121</b>
<b>Current liabilities</b>		
Trade payables	6	5,621,116
Current tax Liabilities (net)		46,780
Other current liabilities		-
<b>Total current liabilities</b>		<b>5,667,896</b>
<b>TOTAL LIABILITIES</b>		<b>5,667,896</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,192,017</b>
Summary of significant accounting policies	<b>1-3</b>	

The accompanying notes form an integral part of these special purpose financial statements

As per our report of even date attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.: 003990S/S 200018

For and on behalf of the  
**Capco (Canada) LP**

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No.: 208545

Sd/-  
**Mohit Bansal**

Sd/-  
**Apratim Banerjee**

Bengaluru  
20 June 2022

Florida  
20 June 2022

Canada  
20 June 2022

## Capco (Canada) LP

### Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in CAD except otherwise stated)

Particulars	Note	Period from 29 April 2021 to 31 March 2022
<b>INCOME</b>		
Other income	7	236,275
<b>Total income</b>		<b>236,275</b>
<b>EXPENSES</b>		
Finance costs	8	455,429
Other expenses	9	227,590
<b>Total expenses</b>		<b>683,019</b>
<b>Profit / (loss) before tax</b>		<b>(446,744)</b>
<b>Tax expenses</b>		
Current tax		-
Deferred tax		-
<b>Total tax expenses</b>		<b>-</b>
<b>Profit / (loss) for the period</b>		<b>(446,744)</b>

The accompanying notes form an integral part of these special purpose financial statements

As per our report of even date attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.: 003990S/S 200018

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No.: 208545

Bengaluru  
20 June 2022

For and on behalf of the  
**Capco (Canada) LP**

Sd/-  
**Mohit Bansal**

Florida  
20 June 2022

Sd/-  
**Apratim Banerjee**

Canada  
20 June 2022

**Capco (Canada) LP**  
**Cash Flow Statement for the year ended 31 March 2022**

(All amounts in CAD except otherwise stated)

	<b>Year ended 31 March 2022</b>
<b>A. Cash flow from operating activities</b>	
<b>Profit / (loss) before tax</b>	(446,744)
<u>Adjustments for:</u>	
Finance costs on borrowings	455,429
Interest income on bank deposits	(221,434)
	<u>233,995</u>
Operating profit/(loss) before working capital changes	(212,749)
<b>Movements in working capital:</b>	
Trade receivable	6,156,852
Trade payable	5,621,116
Cash generated in operations	<u>11,777,968</u>
Direct tax paid	-
<b>Net cash from operating activities</b>	<u>11,565,219</u>
<b>B. Cash flows from investing activities</b>	
Purchase of tangible and intangible assets	-
Interest received	221,434
<b>Net cash (used in) from investing activities</b>	<u>221,434</u>
<b>C. Cash flow from financing activities</b>	
Intercompany loans	(11,708,148)
Interest paid	(455,429)
<b>Net cash generated from/(used in) financing activities</b>	<u>(12,163,577)</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(376,924)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,568,941</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,192,017</b>
Components of cash and cash equivalents	
Balance with banks in current accounts	6,192,017
	<u>6,192,017</u>

The accompanying notes form an integral part of these special purpose financial statements

This is the Cash Flow Statement referred to in our report of even date.

**For PKF Sridhar & Santhanam LLP**  
Firm's Registration No.: 003990S/S 200018  
Chartered Accountants

Sd/-  
**Seethalakshmi M**  
Partner  
Membership No.: 208545  
Bengaluru  
20 June 2022

For and on behalf of the  
**Capco (Canada) LP**

Sd/-  
**Mohit Bansal**  
  
Florida  
20 June 2022

Sd/-  
**Apratim Banerjee**  
  
Canada  
20 June 2022

## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

#### 1 The overview

The Capco (Canada) LP is limited partnership between The Capital Markets Company Limited (Canada) and Capco (Canada) GP ULC, incorporated and domiciled in Canada. The Company is provider of IT Services, including Business Process Services (BPS) services, globally. The Capco (Canada) LP was acquired by Wipro Limited on 29th April 2021. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

#### 2 Basis of preparation of financial statements

This 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, it was acquired on April 29, 2021 the financial information is provided only for the period April 29, 2021 to March 31, 2022 for which the Company was subsidiary of Wipro Limited.

The financial statements have been prepared in accordance with the generally accepted accounting principles in India.

#### 3 Significant accounting policies

##### (i) Functional and presentation currency

These financial statements are presented in CAD, which is the functional currency of the Partnership Limited.

##### (ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

##### (iii) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.



(iv) Revenue

It derives revenue primarily from software development, maintenance of software/hardware and related services, business process services.

(v) Finance cost and income

For both working capital and promissory notes, interest is calculated on principal balance. Interest is also calculated on operational recharges which are outstanding for > 6 months. For working capital funding balance and operational charges greater than 6 months, a Capco global interest rate will be applied, regardless of currency or location of the loan. Rates are reviewed regularly by group finance to ensure the rate reflects an arms length interest rate.

(vi) Other income

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(vii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. It offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

(viii) Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

**Capco (Canada) LP**  
**Notes to the special purpose financial statements**

(All amounts in CAD except otherwise stated)

	<b>As at</b> <b>31 March 2022</b>
<b>4 Cash and cash equivalents</b>	
Balances with bank in current accounts	6,192,017
Cheques, draft on hand	-
	<b>6,192,017</b>
<b>5 Reserves</b>	
a) Statement of profit and loss account	
Balance at the beginning of the period	970,865
Add: Net profit/(loss) for the period	(446,744)
Balance at the end of the period	<b>524,121</b>
<b>Partner's holding</b>	
The Capital Markets Company Limited (Canada)	99%
Capco (Canada) GP ULC	1%
<b>6 Trade payables</b>	
	<b>As at</b> <b>31 March 2022</b>
Payables to related parties (refer note 10)	5,621,116
<b>Total</b>	<b>5,621,116</b>

*(This space has been intentionally left blank)*

## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

	<b>Period from 29 April 2021 to 31 March 2022</b>
<b>7 Other income</b>	
Interest income	221,434
Miscellaneous expenses	14,841
	<u>236,275</u>
<b>8 Finance costs</b>	
Interest expense	455,429
	<u>455,429</u>
<b>9 Other expenses</b>	
Exchange loss ( net )	227,590
	<u>227,590</u>

*(This space has been intentionally left blank)*

## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

#### 10 A. Names of related parties and nature of relationship

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	The Capital Markets Company Limited (Canada)	Canada
	Capco (Canada) GP ULC	Canada
Fellow Subsidiaries	The Capital Markets Company BVBA	Belgium
	Wipro IT services UK Societas Cardinal Foreign Holdings S.à r.l.	UK Switzerland

\*Related parties with whom transactions have taken place during the year.

#### B. Transactions with related parties for the year ended 31 March 2022

Particulars	Relationship*	Period from 29 April 2021 to 31 March 2022
<b>Interest expense</b>		
The Capital Markets Company BVBA	Fellow subsidiaries	26,335
The Capital Markets Company Limited (Canada)	Holding company	428,717
CAPCO (US) LLC	Fellow subsidiaries	342
Others	Fellow subsidiaries	35
<b>Interest income</b>		
The Capital Markets Company Limited (Canada)	Holding company	221,434

#### C. Closing balance of related parties

Name of the Company	Nature	As on 31 March 2022
<b>Trade Payables:</b>		
The Capital Markets Company Limited (Canada)	Fellow Subsidiaries	5,621,116

*(This space has been intentionally left blank)*

Capco (Canada) LP

Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

11 Financial instruments measurement and disclosure

a) Financial instruments by category

Particulars	As at 31 March 2022			
	FVTOCI	FVTPL	Amortised cost	Total
<b>Financial assets:</b>				
Trade receivables	-	-	-	-
Cash and cash equivalents	-	-	6,192,017	6,192,017
Other financial assets	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,192,017</b>	<b>6,192,017</b>
<b>Financial liabilities:</b>				
Trade payables	-	-	5,621,116	5,621,116
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,621,116</b>	<b>5,621,116</b>

The fair values of assets and liabilities approximates its carrying value.

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## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

## 12 Financial risk management

### Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk -Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

### A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

### Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

### Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

#### 12 Financial risk management (continued)

##### B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

##### Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
<b>Non-derivatives</b>					
Trade payables	5,621,116	-	-	-	5,621,116
Other Financial liabilities	-	-	-	-	-
<b>Total</b>	<b>5,621,116</b>				<b>5,621,116</b>

##### C 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 of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

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## Capco (Canada) LP

### Notes to the special purpose financial statements

(All amounts in CAD except otherwise stated)

#### 13 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these financial statements.

#### 14 Contingent liabilities and commitments

	<b>As at 31 March 2022</b>
a) Claims against the Company not acknowledge as debts	NIL
b) Bank guarantees	NIL

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As per our report of even date

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.: 003990S/S 200018

For and on behalf of the  
**Capco (Canada) LP**

Sd/-  
**Seethalakshmi M**  
Partner  
M No.: 208545

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**Mohit Bansal**

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