

Special Purpose Financial Statements and Independent Auditor's Report

The Capital Markets Company BV

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 BV

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 BV (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 BV

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 BV

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

Shobhana Sekar

Partner

Membership No. 235144

UDIN: 22235014AKOQGO2744

Place: Bengaluru

Date: 8 June 2022

The Capital Markets Company BV
Statement of Profit and Loss

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

	Notes	For the period 29 April 2021 to 31 March 2022
REVENUE		
Revenue from operations	18	10,300
Other income	19	2,617
Total income		12,916
EXPENSES		
Employee benefit expense	20	7,223
Depreciation and amortisation expense	5,6	74
Finance costs	21	2,852
Other expenses	22	22,921
Total expenses		33,069
Profit or (Loss) before tax		(20,152)
Current tax		-
Deferred tax		-
Tax expense		-
Profit or (Loss) for the period		(20,152)
Other comprehensive income		-
Total comprehensive income / (loss) for the period		(20,152)

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/-

Shobhana Sekar

Partner

Membership No: 235144

Place: Bengaluru

Date: 8 June 2022

For and on behalf of the Board of Directors of
The Capital Markets Company BV

Sd/-

Steven Ramsey

Director

Place: London

Date: 8 June 2022

Sd/-

Marcel Du Bois

Director

Place: Diegem

Date: 8 June 2022

The Capital Markets Company BV
Statement of changes in equity for the period ended 31 March 2022
(Amount in '000 EUR, except share and per share data, unless otherwise specified)

	As at 31 March 2022	
	No. of shares	Amount
(A) Equity share capital		
Opening	434,459,730	2,020
Add: issued during the period	-	-
Closing	434,459,730	2,020

(B) Other equity

	Retained earnings	Total
Balance as at 29 April 2021	30,719	30,719
Profit for the period	(20,152)	(20,152)
Other comprehensive income	-	-
Total other comprehensive income for the period	10,567	10,567
Balance as at 31 March 2022	10,567	10,567

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 BV

Sd/-

Sd/-

Sd/-

Shobhana Sekar
Partner
Membership No: 235144

Steven Ramsey
Director

Marcel Du Bois
Director

Place: Bengaluru
Date: 8 June 2022

Place: London
Date: 8 June 2022

Place: Diegem
Date: 8 June 2022

The Capital Markets Company BV
Statement of cash flows

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

For the period 29 April 2021
to 31 March 2022

Cash flow from operating activities	
Profit / (Loss) for the period	(20,152)
Adjustments	
Depreciation and amortisation expense	74
Interest income	(2,514)
Interest expense	2,822
Employee stock option cost	24
Impairment of investments	(16,753)
Unrealised foreign exchange loss, net	1,378
Operating profit / (loss) before working capital changes	(35,120)
Adjustments for working capital changes:	
Trade and other receivables	(8,253)
Loans and advances and other assets	46
Trade and other payables	33,674
Net cash (used in) operations	(9,653)
Direct taxes (paid) / refund	-
Net cash (used in) operating activities	(9,653)
 Cash flows from investing activities:	
Acquisition of plant and equipment (including advances)	(27)
(Purchase) / sale of investments	26,176
Interest received	2,514
Net cash generated by / (used in) investing activities	28,663
 Cash flows from financing activities:	
Repayment of lease liability	(64)
Repayment of inter company borrowings	(29,509)
Proceeds from inter company borrowings	15,410
Interest paid	(2,822)
Net cash generated by / (used in) financing activities	(16,985)
 Net increase / (decrease) in cash and Cash equivalents during the period	 2,025
Cash and cash equivalents at the beginning of the period	6,924
Cash and cash equivalents at the end of the period (Refer Note 9)	8,949

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/-

Shobhana Sekar

Partner

Membership No: 235144

Place: Bengaluru

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For and on behalf of the Board of Directors of
The Capital Markets Company BV

Sd/-

Steven Ramsey

Director

Place: London

Date: 8 June 2022

Sd/-

Marcel Du Bois

Director

Place: Diegem

Date: 8 June 2022

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

1 General Information

The Capital Markets Company BVBA is a subsidiary of Grove Holdings 2 S.a.r.l., incorporated and domiciled in Belgium. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is EUR. 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 BVBA comprises the balance sheet 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").

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

(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.

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
- 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 transferred 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 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.

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

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.

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.

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

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.

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.

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

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 & 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 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 Euro. These financial statements are presented in Euro.

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 BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 EUR, 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.

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

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 year 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

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.

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

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.

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

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.

2.10 Equity and share capital

(a) Share capital

The authorized share capital of the Company as of 31 March 2022 is EUR 2,020,000 divided into 434,459,730. 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 presently 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.

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

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.

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.

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

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 four years from the date of grant. Upon vesting, the employees can acquire one equity share for every option.

The company 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.

(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.

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

(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 Material

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 BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 EUR, except share and per share data, unless otherwise specified)

5 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Computers	Office equipment	Total
Gross block (at cost)					
Balance as at 29 April 2021	58	145	2,015	16	2,234
Additions	-	-	27	-	27
Disposals/adjustment*	-	-	-	-	-
Balance as at 31 March 2022	58	145	2,042	16	2,261
Accumulated depreciation					
Balance as at 29 April 2021	(58)	(144)	(2,011)	(15)	(2,228)
Depreciation charge	-	(1)	(9)	(1)	(11)
Disposals/adjustment*	-	-	-	-	-
Balance as at 31 March 2022	(58)	(145)	(2,020)	(16)	(2,239)
Net block					
Balance as at 31 March 2022	-	-	22	-	22

* Includes regrouping/reclassification within the block of assets.

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

6 Right-of-use assets

Particulars	Vehicles	Total
Gross block		
Balance as at 29 April 2021	108	108
Additions during the period	-	-
Disposals during the period	-	-
Balance as at 31 March 2022	108	108
Accumulated depreciation		
Balance as at 29 April 2021	-	-
Charge for the period	(64)	(64)
Disposals/Adjustment	-	-
Balance as at 31 March 2022	(64)	(64)
Net block		
Balance as at 31 March 2022	44	44

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

7 Investments

	<u>As at 31 March 2022</u>
Investment in equity instrument designated as at fair value through OCI (fully paid)	42,131
Unquoted equity shares - Refer - Note 1	
Non- Current	42,131
	<u>42,131</u>
Aggregate book value of:	
Quoted investments	-
Unquoted investments	42,131
Aggregate market value of:	
Quoted investments	-
Unquoted investments	-

Note 1:

Name	Percentage of Holding as on 31 March 2022
Capco Belgium BV	100%
The Capital Markets Company BV	100%
The Capital Markets Company GmbH	100%
Capco Poland Sp. z.o.o.	100%
The Capital Markets Company S.A.S.	100%
The Capital Markets Company S.a.r.l.	100%
The Capital Markets Company Slovakia, s. r. o.	85%
CapAfric Consulting Proprietary Limited	100%
The Capital Markets Company (UK) Ltd	100%
The Capital Markets Company Limited (Canada)	100%
The Capital Markets Company Limited (Hong Kong)	99%
Capco Consultancy (Malaysia) Sdn. Bhd.	100%
Capco Consulting Singapore Pte Ltd	100%
Capco Consultancy (Thailand) Ltd	98%
Capco Greece Single Member Private Company	100%

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		
				Gross Value	Impairment	Net Value
Capco Belgium BV	EUR	EUR 500	100	33	-	33
The Capital Markets Company BV	EUR	EUR 1	18,000	18	-	18
The Capital Markets Company GmbH *	EUR	*	*	16,753	16,753	-
Capco Poland Sp. z.o.o.	EUR	PLN 50	100	1	-	1
The Capital Markets Company S.A.S. *	EUR	*	*	6,710	-	6,710
The Capital Markets Company S.a.r.l.	EUR	CHF 200	200	12	-	12
The Capital Markets Company Slovakia, s.r.o.*	EUR	*	*	4	-	4
The Capital Markets Company (UK) Ltd	EUR	GBP 1	1	30,540	-	30,540
Capco Consultancy (Malaysia) Sdn. Bhd. *	EUR	*	*	-	-	-
Capco Consulting Singapore Pte Ltd *	EUR	*	*	225	-	225
Capco Consultancy (Thailand) Ltd *	EUR	*	*	-	-	-
Capco Greece Single Member Private Company*	EUR	*	*	4,587	-	4,587
Total				58,884	16,753	42,131

* 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 BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 EUR, except share and per share data, unless otherwise specified)

As at
31 March 2022

8 Trade receivables

Unsecured

Considered good *

8,364

8,364

Further classified as:

Receivable from related parties (Refer Note 27)

7,841

Receivable from others

523

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	8,150	214	-	-	-	-	8,364
(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	8,150	214	-	-	-	-	8,364

* The amount includes related party balance. Refer Note 27

8A Unbilled receivables

Unsecured

Considered good

693

693

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	591	102	-	-	-	-	693
(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	591	102	-	-	-	-	693

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

9 Cash and cash equivalents

Balances with banks	8,949
- in current account	
	8,949

10 Other assets

Prepaid expenses	11
Current	
	11

11 Share capital

Authorised	
Equity shares capital	2,020
	2,020

Issued, subscribed and paid-up capital	2,020
	2,020

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	434,459,730
Add: issued during the period	-
Outstanding at the end of the period	-
	434,459,730

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in EUR. 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
Grove Holdings 2 S.a.r.l. , the holding Company	434,459,730	100
	434,459,730	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
Grove Holdings 2 S.a.r.l. , the holding Company	434,459,730	100
	434,459,730	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 year end.

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

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

12 Other equity

	<u>As at 31 March 2022</u>
Surplus/(deficit) in the Statement of Profit and Loss	
Opening balance	30,719
Add: Net Profit / (loss) for the current period	(20,152)
Closing balance	<u>10,567</u>

13 Provisions

Non-current	
Employee benefit obligation	113
	<u>113</u>
Current	
Employee benefit obligation	352
	<u>352</u>

14 Trade payables

i) Total outstanding dues to creditors other than micro, small and medium enterprises	158
	<u>158</u>

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	101	57	-	-	-	158
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

15 Borrowings

i Current borrowings

Loans repayable on demand (unsecured)*	51,958
	<u>51,958</u>

* The unsecured loans are taken from related parties (Refer Note 27) and are repayable on demand. The interest rate on Inter company short term borrowings is 4.79 %.

16 Other financial liabilities

Current

Accrued salaries and bonus	2,019
Payable to related parties (Refer Note 27)	48,723
	<u>50,742</u>

17 Other liabilities

Current

Statutory liabilities	119
	<u>119</u>

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

	For the period 29 April 2021 to 31 March 2022
18 Revenue from operations	
Sale of services*	10,300
Total revenue from operations	<u>10,300</u>
* The amount includes related party transaction. Refer Note 27	
19 Other income	
Rental, commission and other income	103
Interest income *	2,514
	<u>2,617</u>
* The amount includes related party transaction. Refer Note 27	
20 Employee benefit expense	
Salaries and wages	7,193
Share based compensation (Refer Note 25)	24
Staff welfare expenses	8
	<u>7,223</u>
21 Finance cost	
Interest on loans and advances*	2,822
Other interest	29
Interest on leases	1
	<u>2,852</u>
* The amount includes related party transaction. Refer Note 27	
22 Other expenses	
Impairment of investment	16,753
Sub contracting / technical fees / third party application*	4,352
Foreign exchange loss, net	1,368
Travel	160
Facility expenses	83
Bank charges	54
Communication	50
Legal and professional charges	8
Rates and taxes	1
Miscellaneous expenses	91
	<u>22,921</u>
* The amount includes related party transaction. Refer Note 27	

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

23 Earning per share (EPS)

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the period attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

	31 March 2022
Loss attributable to equity holders	(20,152)
Less: preference dividend after-tax	-
Loss attributable to equity holders after preference dividend	(20,152)
Add: Interest on convertible preference shares	-
Loss attributable to equity holders adjusted for the effect of dilution	(20,152)
Weighted average number of equity shares - for basic and diluted EPS	434,459,730
Earnings per share - Basic and diluted	(0.05)

24 Current tax

	31 March 2022
Income tax expense	-
Current tax	-
Deferred tax	-
Total income taxes	-
Profit / (Loss) before taxation	(20,152)
Enacted income tax rate	25%
Computed expected tax expenses	-
Effect of	
Expenses Disallowed for Tax Purpose	
Income tax expense	-
Deferred Tax component wise	As At
	31 March 2022
Accrued expenses	-
Deferred Revenue	-
Property, plant and equipment	-
Others	-
	-

Note : Deferred tax asset in respect of unutilized losses has not been recognized by the Company, because it is probable that future taxable profits will not be available against which the unused tax losses can be utilized in the foreseeable future.

The Capital Markets Company BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
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25 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) *	23,133	EUR Equivalent of INR 2
Wipro ADS Performance Linked Restricted Stock Unit Plan (ADS Restricted Stock Unit Plan, 2004) *	1,187	EUR 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 four 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	Weighted average exercise price	Weighted average remaining life(months)	Period ended	Period ended
				31-Mar-22	31-Mar-22
				Number of options	Amount
Outstanding at the beginning of the period		-		-	-
Granted	INR 2	0.02	43	24,320	24
Outstanding at the end of the period	INR 2	0.02	43	24,320	24
Exercisable at the end of the period					

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

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

26 Leases

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

	Amount
Balance as at 29 April 2021	108
Less: depreciation charged for the period	(64)
Balance as at 31 March 2022	44

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

	Amount
Balance as at 29 April 2021	108
Less : Payment during the period	(63)
Balance as at 31 March 2022	45
Current	1
Non Current	44
Total	45

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

	Amount
Interest on lease liabilities	1
Depreciation on ROU assets	64

iv) Amount recognised in the statement of cash flows

	Amount
Cash payments for principal portion of lease liability	63
Cash payments for interest portion of lease liability	1

v) Maturity analysis

	Amount
Not later than 1 year	44
Later than 1 year and not later than 5 years	1
Total undiscounted lease liabilities at 31 March 2022	45

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

27 Related party disclosure

a) Parties where control exists:

<u>Name</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
Wipro Limited	Ultimate Holding company	India
Grove Holdings 2 S.a.r.l.	Holding Company	Luxembourg
Capco Belgium BV	Subsidiary	Belgium
The Capital Markets Company BV	Subsidiary	Netherlands
The Capital Markets Company GmbH	Subsidiary	Germany
Capco Poland Sp. z.o.o.	Subsidiary	Poland
The Capital Markets Company S.A.S.	Subsidiary	France
The Capital Markets Company S.a.r.l.	Subsidiary	Switzerland
The Capital Markets Company Slovakia, s. r. o.	Subsidiary	Slovakia
CapAfric Consulting Proprietary Limited	Subsidiary	South Africa
The Capital Markets Company (UK) Ltd	Subsidiary	UK
The Capital Markets Company Limited	Subsidiary	Canada
The Capital Markets Company Limited	Subsidiary	Hong Kong
Capco Consultancy (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia
Capco Consulting Singapore Pte Ltd	Subsidiary	Singapore
Capco Consultancy (Thailand) Ltd	Subsidiary	Thailand
Capco Greece Single Member Private Company	Subsidiary	Greece
Capco (Canada) LP	Fellow Subsidiaries	Canada
Cardinal Foreign Holdings 2 S.a.r.l.	Fellow Subsidiaries	Luxembourg
Cardinal US Holdings Inc	Fellow Subsidiaries	US
Capco (UK) 1, Limited	Fellow Subsidiaries	UK
CAPCO (US) LLC	Fellow Subsidiaries	US
Capco RISC Consulting LLC	Fellow Subsidiaries	US
Capco Consulting Services LLC	Fellow Subsidiaries	US
The Capital Markets Company LLC	Fellow Subsidiaries	US

b) The Company has the following related party transactions:

<u>Particulars</u>	<u>As at</u> <u>31 March</u> <u>2022</u>
<u>Sale of services</u>	
The Capital Markets Company GmbH	(57)
The Capital Markets Company S.A.S.	(6)
The Capital Markets Company BV	(44)
The Capital Markets Company (UK) Ltd	(1,785)

The Capital Markets Company BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
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Sub contracting / technical fees / third party application

The Capital Markets Company Limited (Hong Kong)	108
The Capital Markets Company GmbH	56
The Capital Markets Company S.A.S.	3,159
The Capital Markets Company (UK) Ltd	762

Interest income

Capco Belgium BV	944
The Capital Markets Company Limited (Canada)	26
Capco (Canada) LP	18
Cardinal Foreign Holdings S.a.r.l.	7
Cardinal Foreign Holdings 2 S.a.r.l.	190
Cardinal US Holdings Inc	3
The Capital Markets Company Limited (Hong Kong)	134
The Capital Markets Company GmbH	9
The Capital Markets Company S.A.S.	17
Capco Greece Single Member Private Company	97
Grove Holdings 2 S.a.r.l.	72
Capco Consultancy (Malaysia) Sdn. Bhd.	23
The Capital Markets Company BV	31
Capco Poland Sp. z.o.o.	43
Capco Consulting Singapore Pte Ltd	34
The Capital Markets Company Slovakia, s. r. o.	128
The Capital Markets Company S.a.r.l.	16
Capco Consultancy (Thailand) Ltd	2
The Capital Markets Company (UK) Ltd	692
Capco (UK) 1, Limited	21
CAPCO (US) LLC	4
Capco RISC Consulting LLC	1

Interest expenses

The Capital Markets Company Limited (Canada)	750
The Capital Markets Company S.A.S.	325
Capco Consultancy (Malaysia) Sdn. Bhd.	6
The Capital Markets Company BV	109
Capco Consulting Singapore Pte Ltd	21
The Capital Markets Company Slovakia, s. r. o.	101
The Capital Markets Company S.a.r.l.	491
The Capital Markets Company (UK) Ltd	199
Capco Consulting Services LLC	182
The Capital Markets Company LLC	527
Capco RISC Consulting LLC	112

The Capital Markets Company BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
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Loans received during the period

Grove Holdings 2 S.a.r.l.	(1)
The Capital Markets Company S.A.S.	(209)
The Capital Markets Company S.a.r.l.	(6,681)
The Capital Markets Company LLC	(1,956)
The Capital Markets Company Limited (Hong Kong)	(99)
The Capital Markets Company Limited (Canada)	(55)
The Capital Markets Company BV	(610)
CapAfric Consulting Proprietary Limited	(.18)
Capco Consulting Services LLC	(190)
Capco RISC Consulting LLC	(115)
The Capital Markets Company Limited (Canada)	(977)
The Capital Markets Company S.A.S.	(111)
The Capital Markets Company BV	(18)
The Capital Markets Company S.a.r.l.	(265)
Cardinal Foreign Holdings 2 S.a.r.l.	(3,986)
Capco Consultancy (Malaysia) Sdn. Bhd.	(81)
Capco Consulting Singapore Pte Ltd	(54)

Loans granted during the period

The Capital Markets Company (UK) Ltd	740
Capco Belgium BV	27,937
The Capital Markets Company GmbH	9
The Capital Markets Company Slovakia, s. r. o.	70
Capco Consulting Singapore Pte Ltd	65
Capco Consultancy (Malaysia) Sdn. Bhd.	55
Capco Poland Sp. z.o.o.	3
Capco Consultancy (Thailand) Ltd	2
Cardinal Foreign Holdings 2 S.a.r.l.	4
Cardinal US Holdings Inc	3
Cardinal Foreign Holdings S.a.r.l.	7
Capco (UK) 1, Limited	21
CAPCO (US) LLC	4
Capco (Canada) LP	18
Capco Greece Single Member Private Company	97
The Capital Markets Company Limited (Hong Kong)	128
Grove Holdings 2 S.a.r.l.	62
Capco Poland Sp. z.o.o.	40
The Capital Markets Company (UK) Ltd	199

Loans repaid during the period

Capco Consultancy (Malaysia) Sdn. Bhd.	43
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The Capital Markets Company BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
(Amount in '000 EUR, except share and per share data, unless otherwise specified)

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

	<u>As at 31 March 2022</u>
i) <u>Balances other than loans :</u>	
Other financial liabilities	
Capco Belgium BV	(3)
The Capital Markets Company Limited (Hong Kong)	(64)
The Capital Markets Company S.A.S.	(9,119)
Others	(25,102)
CapAfric Consulting Proprietary Limited	(5)
Capco Consulting Singapore Pte Ltd	(450)
The Capital Markets Company Slovakia, s. r. o.	(2,041)
The Capital Markets Company (UK) Ltd	(1,823)
Capco Consulting Services LLC	(3,740)
Capco RISC Consulting LLC	(6,358)
Wipro Limited	(19)
 Trade receivables	
The Capital Markets Company Limited (Canada)	613
Cardinal Foreign Holdings S.a.r.l.	149
Cardinal Foreign Holdings 2 S.a.r.l.	80
Cardinal US Holdings Inc	66
The Capital Markets Company GmbH	23
Capco Greece Single Member Private Company	4,938
Grove Holdings 2 S.a.r.l.	54
Capco Consultancy (Malaysia) Sdn. Bhd.	79
The Capital Markets Company BV	670
The Capital Markets Company S.a.r.l.	365
Capco Consultancy (Thailand) Ltd	55
Capco (UK) 1, Limited	614
The Capital Markets Company LLC	15
CAPCO (US) LLC	120
	<u>As at 31 March 2022</u>
ii) <u>Loan and borrowings :</u>	
Borrowings	
Capco Austria GmbH	()
The Capital Markets Company Limited (Canada)	(1,446)
The Capital Markets Company S.A.S.	(403)
The Capital Markets Company BV	(2,441)
CapAfric Consulting Proprietary Limited	()
The Capital Markets Company S.a.r.l.	(8,771)
Capco Consulting Services LLC	(171)
The Capital Markets Company LLC	(9,332)
Capco RISC Consulting LLC	(68)
The Capital Markets Company Limited (Canada)	(19,731)
Cardinal Foreign Holdings 2 S.a.r.l.	(6)
The Capital Markets Company S.A.S.	(2,689)
The Capital Markets Company S.a.r.l.	(6,454)
The Capital Markets Company BV	(446)

The Capital Markets Company BV
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Loans

Capco Belgium BV	27,971
Capco (Canada) LP	18
Cardinal Foreign Holdings S.a.r.l.	19
Cardinal Foreign Holdings 2 S.a.r.l.	86
Cardinal US Holdings Inc	3
The Capital Markets Company Limited (Hong Kong)	46
The Capital Markets Company GmbH	334
Capco Greece Single Member Private Company	97
Grove Holdings 2 S.a.r.l.	324
Capco Consultancy (Malaysia) Sdn. Bhd.	55
Capco Poland Sp. z.o.o.	113
Capco Consulting Singapore Pte Ltd	488
The Capital Markets Company Slovakia, s. r. o.	2,798
Capco Consultancy (Thailand) Ltd	6
The Capital Markets Company (UK) Ltd	11,964
Capco (UK) 1, Limited	21
CAPCO (US) LLC	4
Capco Consultancy (Malaysia) Sdn. Bhd.	538
The Capital Markets Company (UK) Ltd	4,841
The Capital Markets Company Limited (Hong Kong)	3,120
Grove Holdings 2 S.a.r.l.	1,506
Capco Poland Sp. z.o.o.	968
Capco Consulting Singapore Pte Ltd	538

28 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 BV
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29 Fair values of financial assets and financial liabilities

There are no financials 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.

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:

Particulars	As at 31 March 2022			
	Fair value measurements at reporting date			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments	42,131	-	-	42,131
Trade receivables	8,364	-	-	8,364
Unbilled receivables	693	-	-	693
Cash and cash equivalents	8,949	-	-	8,949
Loans	55,857	-	-	55,857
Total	115,994	-	-	115,994
Financial liabilities				
Trade payables	158	-	-	158
Short term borrowings	51,958	-	-	51,958
Accrued salaries and bonus	2,019	-	-	2,019
Payable to related parties	48,723	-	-	48,723
Lease liabilities	45	-	-	45
Total	102,903	-	-	102,903

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

30 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 on 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 BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
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(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	-	51,958	-	-
Trade payables	-	158	-	-
Other financial liability	-	50,742	-	-
Lease liabilities	-	45	1	-
	-	102,903	1	-

31 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	2,020
Other Equity	10,567
Total equity	(i) 12,587
Borrowings other than convertible preference shares	51,958
Less: cash and cash equivalents	(8,949)
Total debt	(ii) 60,907
Overall financing	(iii) = (i) + (ii) 73,494
Gearing ratio	(ii)/ (iii) 0.83

The Capital Markets Company BV
Notes forming part of the Financial Statements for the period ended 31 March 2022
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32 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 its 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.

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

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

34 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	0.71
Debt equity ratio	Non - Current Borrowings + Current Borrowings	Total equity	in times	4.13

Particulars	Numerator	Denominator	in times/%	Period ended 31 March 2022
Debt service coverage ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayment of long-term Debt]	in times	(80.46)
Return on equity ratio	Profit/(loss) for the period	Average Total Equity	in %	-89%
Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	in times	2.20
Trade payables turnover ratio	Total expenses - Depreciation - Interest - Payroll Cost	Average trade payables	in times	76.50
Net capital turnover ratio	Revenue from operations	* Working Capital i.e. (Avg Current Assets - Avg Current Liabilities)	in times	0.10
Net profit ratio	Profit/(Loss) after tax	Total Income	in %	-156%
Return on capital employed	Earnings before interest and taxes	* Avg Equity + Avg Debt + Avg Leases	in %	-76%
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/-
Shobhana Sekar
Partner
MEMBERSHIP
No. 225111
Place: Bengaluru
Date: 8 June 2022

For and on behalf of the Board of Directors of
The Capital Markets Company BV

Sd/-
Steven Ramsey
Director
Place: London
Date: 8 June 2022

Sd/-
Marcel Du Bois
Director
Place: Diegem
Date: 8 June 2022