

Special Purpose Financial Statements and Independent Auditor's Report

Capco Poland Sp. z o.o.

31 March 2023

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Capco Poland Sp. z.o.o.

Report on the Audit of the Special Purpose Financial Statements Opinion

We have audited the accompanying special purpose financial statements of Capco Poland Sp. z.o.o. ("the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, 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 aforesaid 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 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Act and the Rules thereunder, 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.

Independent Auditor's Report (continued)

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/loss 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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the special purpose financial statement made by the Management and Board of Directors.

Independent Auditor's Report (continued)

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

- 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.
- 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.

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 special purpose 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. These financial statements are not the statutory financial statements of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this audit opinion is shown or into whose hands it may come without our prior consent in writing.

for B S R & Co. LLP

Chartered Accountants

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

Sd

Amrit Bhansali

Partner

Membership No. 065155

UDIN: 23065155BGYP5A4043

Place: Bengaluru

Date: 12 June 2023

Capco Poland Sp. z.o.o.
Balance Sheet

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

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	464	497
Right-of-use assets	6	683	-
Financial assets			
Other financial assets	7	152	175
		1,299	672
Current assets			
Financial assets			
Trade receivables	8	14,263	10,675
Unbilled receivables	8A	3,486	2,849
Cash and cash equivalents	9	1,587	538
Loans		294	205
Other current assets	10	355	35
Current tax assets (net)		159	-
		20,144	14,302
TOTAL ASSETS		21,443	14,974
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	5	5
Other equity	12	8,211	3,250
		8,216	3,255
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	26	355	-
Other financial liabilities	13	241	377
		596	377
Current liabilities			
Financial liabilities			
Borrowings	14	4,516	5,168
Lease liabilities	26	403	-
Trade payables	15	-	-
i)total outstanding dues of micro enterprises and small enterprises		-	-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		2,525	1,665
Other financial liabilities	13	2,543	3,183
Contract liabilities		579	-
Other current liabilities	17	579	507
Provisions	16	1,486	767
Current tax liabilities (net)		-	52
		12,631	11,342
TOTAL EQUITY AND LIABILITIES		21,443	14,974

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements

As per our report of even date

for B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sd/-

Amrit Bhansali

Partner

Membership No: 065155

Place: Bengaluru

Date: 12 June 2023

For and on behalf of the Board of Directors of
Capco Poland Sp. z.o.o.

Sd/-

Vivek Bakshi

Director

Place: Bucharest

Date: 12 June 2023

Sd/-

Sushil Agrawal

Director

Place: London

Date: 12 June 2023

Capco Poland Sp. z.o.o.
Statement of Profit and Loss
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

	Notes	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
REVENUE			
Revenue from operations	18	49,248	29,098
Other income	19	580	179
Total income		49,828	29,277
EXPENSES			
Employee benefit expense	20	23,033	13,414
Depreciation and amortisation expense	5,6	553	134
Finance costs	21	90	270
Other expenses	22	20,043	11,119
Total expenses		43,719	24,937
Profit before tax		6,109	4,340
Current tax		1,148	805
Deferred tax		-	-
Tax expense		1,148	805
Profit for the year/ period		4,961	3,535
Other comprehensive income		-	-
Total comprehensive income for the year/ period		4,961	3,535
Earnings per equity share			
Basic and diluted earning per share	23	49,610	35,350

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
Capco Poland Sp. z.o.o.

Sd/-

Amrit Bhansali
Partner

Membership No: 065155

Place: Bengaluru

Date: 12 June 2023

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Vivek Bakshi
Director

Place: Bucharest

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Sd/-

Sushil Agrawal
Director

Place: London

Date: 12 June 2023

Capco Poland Sp. z.o.o.
Statement of changes in equity
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
(A) Equity share capital				
Equity shares issued, subscribed and fully paid				
Opening	100	5	100	5
Changes in equity share capital due to prior period errors	-	-	-	-
Changes in equity share capital during the year/ period	-	-	-	-
Closing	100	5	100	5

(B) Other equity

	Reserve and surplus	
	Retained earnings	Total
Balance as at 1 April 2022	3,250	3,250
Profit for the year	4,961	4,961
Other comprehensive income	-	-
Total other comprehensive income for the year	4,961	4,961
Balance as at 31 March 2023	8,211	8,211

	Reserve and surplus	
	Retained earnings	Total
Balance as at 29 April 2021	(285)	(285)
Profit for the period	3,535	3,535
Other comprehensive income	-	-
Total other comprehensive income for the period	3,535	3,535
Balance as at 31 March 2022	3,250	3,250

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 Capco Poland Sp. z.o.o.

Sd/-

Amrit Bhansali
Partner
Membership No: 065155

Place: Bengaluru
Date: 12 June 2023

Sd/-

Vivek Bakshi
Director

Place: Bucharest
Date: 12 June 2023

Sd/-

Sushil Agrawal
Director

Place: London
Date: 12 June 2023

Capco Poland Sp. z.o.o.
Statement of cash flows
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
A. Cash flow from operating activities		
Profit before tax for the year/ period	6,109	4,340
Adjustments		
Depreciation and amortisation expense	553	134
Unrealised foreign exchange gain, net	(188)	315
Share based compensation expense	-	-
Interest income	(455)	(179)
Interest expense	90	270
Operating profit / (loss) before working capital changes	6,109	4,880
Adjustments for working capital changes:		
Trade and other receivables	(4,037)	(7,896)
Loans and advances and other assets	(296)	(79)
Trade and other payables	1,454	2,830
Net cash generated by/(used in) operations	3,230	(265)
Direct taxes (paid) / refund	(1,360)	(622)
Net cash generated by/(used in) operating activities	1,870	(887)
B. Cash flows from investing activities:		
Acquisition of plant and equipment (including advances)	(201)	(632)
Loan to subsidiaries	(231)	(157)
Repayment of loan by subsidiaries	142	-
Interest received	455	179
Net cash generated by / (used in) investing activities	165	(610)
C. Cash flows from financing activities:		
Payment of lease liability	(244)	-
Repayment of borrowings to subsidiaries	(652)	-
Proceeds from borrowings from subsidiaries	-	328
Interest paid	(9)	(270)
Interest paid on lease liabilities	(81)	-
Net cash generated by / (used in) by financing activities	(986)	58
Net increase/(decrease) in cash and Cash equivalents during the period	1,050	(1,439)
Cash and cash equivalents at the beginning of the period	538	1,976
Cash and cash equivalents at the end of the period (Refer Note 9)	1,588	537

The accompanying notes form an integral part of these financial statements

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

Sd/-

Amrit Bhansali
Partner
Membership No: 065155

Place: Bengaluru
Date: 12 June 2023

For and on behalf of the Board of Directors of
Capco Poland Sp. z.o.o.

Sd/-

Vivek Bakshi
Director

Place: London
Date: 12 June 2023

Sd/-

Sushil Agrawal
Director

Place: Bucharest
Date: 12 June 2023

Capco Poland Sp. z.o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

1 General Information

Capco Poland Sp. z.o.o. is a subsidiary of The Capital Markets Company BVBA, incorporated and domiciled in Poland. The Company is provider of IT Services, including Business Process Services (BPS) services globally. The functional currency of the Company is PLN. 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 Capco Poland Sp. z.o.o. comprises the balance sheets as at 31 March 2023; 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 year ended 31 March 2023, 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 comparative financial information is provided only for the period 29 April 2021 to 31 March 2022 i.e, for the period for which the Company was part of Wipro Limited Group.

Except for the presentation of comparative financial information, the special purpose financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS).

(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 current
- financial liabilities, which includes trade payables, eligible current and non current liabilities.

These financial instruments are recognised initially at fair value. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset has been transferred. In cases where substantial risks and rewards of ownership of the financial asset are neither 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 changes in value.

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, cash in banks and short-term deposits net of bank overdraft.

Capco Poland Sp. z o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

B. Other financial assets

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

C. Trade and other payables

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

2.3 Revenue recognition

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

Services:

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

A Time and material contracts

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

B Fixed-price contracts

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

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

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

C Maintenance contracts

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

Capco Poland Sp. z o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

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 Plant and equipment

A Recognition and measurement

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

B Depreciation

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

Category	Useful life
Computer including software	3 to 5 years
Office Equipment	3 to 5 years

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

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

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

2.5 Foreign currency transactions and translations

Functional currency

The functional currency of the Company is PLN. These financial statements are presented in PLN.

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.

2.6 Employee benefits

Defined benefit plans and compensated absences

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. Accrued vacation are short term employee benefits and provided for on the basis of last drawn salary for the unavailed balance of leave.

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.

Capco Poland Sp. z o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, 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 period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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.

Capco Poland Sp. z o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, 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.

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 2023 is PLN 5,000 divided into 100 equity shares of PLN 50 per value.

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

(b) Retained earnings

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

Capco Poland Sp. z o.o.
Notes forming part of Financial Statements for the year ended 31st March 2023
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

2.11 Earnings per share

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

2.12 Provisions and contingent liabilities

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

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

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

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

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.

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2.14 Employee stock option

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

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

The company grants the Participant RSUs and Performance linked RSUs 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 RSUs 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.

(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

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company does not expect this amendment to have any significant impact in its financial statements.

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5 Plant and equipment

	Furniture and fixtures	Computers	Total
Gross block (at cost)			
Balance as at 1 April 2022	11	669	680
Additions	14	187	201
Balance as at 31 March 2023	25	856	881
Accumulated depreciation			
Balance as at 1 April 2022	-	(183)	(183)
Depreciation charge	(2)	(232)	(234)
Balance as at 31 March 2023	(2)	(415)	(417)
Net block			
Balance as at 31 March 2023	23	441	464
Gross block (at cost)			
Balance as at 29 April 2021	-	49	49
Additions	11	620	631
Disposals/adjustment	-	-	-
Balance as at 31 March 2022	11	669	680
Accumulated depreciation			
Balance as at 29 April 2021	-	(49)	(49)
Depreciation charge	-	(134)	(134)
Disposals/adjustment	-	-	-
Balance as at 31 March 2022	-	(183)	(183)
Net block			
Balance as at 31 March 2022	11	486	497

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Notes forming part of the Financial Statements for the year ended 31 March 2023

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

6 Right-of-use assets

Particulars	Buildings/ Lease Hold	Total
Gross block		
Balance as at 1 April 2022	-	-
Additions during the period	1,002	1,002
Balance as at 31 March 2023	1,002	1,002
Accumulated depreciation		
Balance as at 1 April 2022	-	-
Charge for the period	(319)	(319)
Balance as at 31 March 2023	(319)	(319)
Net block		
Balance as at 31 March 2023	683	683
Balance as at 31 March 2022	-	-

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	As at 31 March 2023	As at 31 March 2022
7 Other financial assets		
Non-current		
Security deposits	152	175
	152	175
8 Trade receivables		
Unsecured		
Considered good	14,263	10,675
	14,263	10,675
Further classified as:		
Receivable from group companies	11,717	7,823
Receivable from others	2,546	2,852
8A Unbilled receivables		
Unsecured		
Considered good	3,486	2,849
	3,486	2,849

As per the agreement with related parties, there is no credit period, hence ageing cannot be determined. Accordingly, the below table for ageing does not include outstanding receivables from related parties

The following table represent ageing of Trade receivables as on 31 March 2023

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	3,486	1,585	960	-	-	-	-	2,546
(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	3,486	1,585	960	-	-	-	-	2,546

The following table represent ageing of Trade receivables as on 31 March 2022

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	2,849	2,852	-	-	-	-	-	2,852
(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	2,849	2,852	-	-	-	-	-	2,852

9 Cash and cash equivalents		
Balances with banks		
- in current account	1,587	538
	1,587	538
10 Other current assets		
Prepaid expenses	350	35
Employee travel and other advances	5	-
	355	35

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	As at 31 March 2023	As at 31 March 2022
11 Share capital		
Authorised		
100 Equity shares of PLN 50 each	5	5
	5	5
Issued, subscribed and paid-up		
	5	5
	5	5

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the period	100	5	100	5
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	100	5	100	5

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of 50 PLN per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in PLN. 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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
The Capital Markets Company BVBA				
100 Equity shares of PLN 50 each	100	100	100	100
	100	100	100	100

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
The Capital Markets Company BVBA				
100 Equity shares of PLN 50 each	100	100	100	100
	100	100	100	100

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

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

12 Other equity

	As at 31 March 2023	As at 31 March 2022
Surplus/(deficit) in the statement of profit and loss		
Opening balance	3,250	(285)
Add: Profit for the current year/ period	4,961	3,535
Closing balance	8,211	3,250

13 Other financial liabilities

Non-current		
Accrued bonus	241	377
	241	377
Current		
Accrued salaries and bonus	1,328	2,019
Payable to group companies	1,215	1,164
	2,543	3,183

14 Borrowings

Current borrowings		
Loans payable on demand(Unsecured)*	4,516	5,168
	4,516	5,168

* The unsecured loans are taken from related parties (Refer Note 27)

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As at
31 March 2023 As at
31 March 2022

15 Trade payables

i) Total outstanding dues to micro, small and medium enterprises	-	-
ii) Total outstanding dues to creditors other than micro, small and medium enterprises	2,525	1,665
	<u>2,525</u>	<u>1,665</u>

The following table represent ageing of Trade payables as on 31 March 2023

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	2,494	31	-	-	-	2,525
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

The following table represent ageing of Trade payables as on 31 March 2022

Particulars	Unbilled dues	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	1,665	-	-	-	-	1,665
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

16 Provisions

Current		
Employee benefit obligation	1,486	767
	<u>1,486</u>	<u>767</u>

17 Other current liabilities

Statutory liabilities	579	507
	<u>579</u>	<u>507</u>

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	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
18 Revenue from operations		
Sale of services*	49,248	29,098
Total revenue from operations	49,248	29,098
* The amount includes related party transaction. Refer Note 27		
19 Other income		
Interest income *	455	179
Foreign exchange gain, net	125	-
* The amount includes related party transaction. Refer Note 27	580	179
20 Employee benefits expense		
Salaries and wages	22,304	13,154
Share based compensation (Refer Note 25)	407	124
Staff welfare expenses	322	136
	23,033	13,414
21 Finance cost		
Interest on loans and advances*	9	270
Interest on leases	81	-
* The amount includes related party transaction. Refer Note 27	90	270
22 Other expenses		
Sub contracting / technical fees / third party application*	18,908	9,838
Bank charges	9	5
Facility expenses	381	236
Legal and professional charges	325	453
Rates and taxes	57	1
Travel	233	31
Foreign exchange loss, net	-	358
Communication	21	49
Miscellaneous expenses	109	148
* The amount includes related party transaction. Refer Note 27	20,043	11,119

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:

	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
Profit attributable to equity holders	4,961	3,535
Less: preference dividend after-tax	-	-
Profit attributable to equity holders after preference dividend	4,961	3,535
Add: Interest on convertible preference shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	4,961	3,535
Weighted average number of equity shares - for basic and diluted EPS	100	100
Earnings per share - Basic and diluted	49,610	35,350

24 Current tax

	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
Income tax expense		
Current tax	1,148	805
Deferred tax	-	-
Total income taxes	1,148	805
Profit before tax	6,109	4,340
Enacted income tax rate	19%	19%
Computed expected tax expenses	1,161	825
Effect of		
Others	(13)	(20)
Income tax expense	1,148	805

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) *	51,016	US \$ 0.03

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

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

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

	Range of exercise price and Weighted average exercise price	Period ended	Period ended
		March 31 2023	March 31, 2022
		Number of options	Number of options
Outstanding at the beginning of the period	US \$ 0.03	29,656	
Granted	US \$ 0.03	21,360	29,656
Exercised		-	
Modification		-	
Forfeited and expired		-	
Outstanding at the end of the period	US \$ 0.03	51,016	29,656
Exercisable at the end of the period		-	-

Range of exercise price and Weighted average exercise price	Weighted average remaining life(months)
US \$ 0.03	25.02

The weighted average grant date fair value of options granted during the period ended 31 March 2023 is Rs 501.87 for each option.

26 Leases

i) The carrying amount of right-of-use assets recognised and the movements during the year

	Amount
Balance as at 1 April 2022	-
Add: Addition during the year	1,002
Less: Depreciation charged for the year	(319)
Balance as at 31 March 2023	683

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

	Amount
Balance as at 1 April 2022	-
Add: Addition during the period	1,002
Less : Payment during the period	(244)
Balance as at 31 March 2023	758
Current	403
Non-current	355
Total	758

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

	Amount
Interest on lease liabilities	81
Depreciation on ROU assets	319

iv) Amounts recognised in the statement of cash flows

	Amount
Cash payments for principal portion of lease liabilities	244
Cash payments for interest portion of lease liabilities	81

v) Maturity analysis

	Amount
Not later than 1 year	403
Later than 1 year and not later than 5 years	355
More than 5 years	-
Total undiscounted lease liabilities at 31 March 2023	758

27 Related party disclosures

a) Parties where control exists:

<u>Name</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
Wipro Limited	Ultimate Holding company	India
Grove Holdings 2 S.a.r.l.	Intermediate Holding company	Luxembourg
The Capital Markets Company BVBA	Holding Company	Belgium
Others		
The Capital Markets Company GmbH	Fellow subsidiary	Germany
The Capital Markets Company S.a.r.l.	Fellow subsidiary	Switzerland
The Capital Markets Company (UK) Ltd	Fellow subsidiary	UK
The Capital Markets Company LLC	Fellow subsidiary	US
The Capital Markets Company BV	Fellow subsidiary	Netherlands
Capco Austria GmbH	Fellow subsidiary	Austria
The Capital Markets Company Limited (Canada)	Fellow subsidiary	Canada
Wipro IT Services Poland SP Z.O.O	Fellow subsidiary	Poland
The Capital Markets Company S.A.S	Fellow subsidiary	France

b) The Company has the following related party transactions:

<u>Particulars</u>	<u>For the year ended 31 March 2023</u>	<u>For the period ended 29 April 2021 to 31</u>
<u>Sale of services</u>		
The Capital Markets Company Limited (Canada)	288	-
The Capital Markets Company GmbH	1,744	1,491
The Capital Markets Company S.A.S.	295	-
The Capital Markets Company S.a.r.l.	1,231	151
The Capital Markets Company (UK) Ltd	6,850	4,401
The Capital Markets Company LLC	1,471	303
Wipro IT Services Poland SP Z.O.O	580	-
<u>Sub contracting / technical fees / third party application</u>		
The Capital Markets Company GmbH	14	-
The Capital Markets Company (UK) Ltd	1,998	1,157
The Capital Markets Company LLC	1,069	-
Wipro IT Services Poland SP Z.O.O	12	-
<u>Share Based Compensation</u>		
Wipro Limited	407	-
<u>Interest income</u>		
The Capital Markets Company GmbH	183	158
The Capital Markets Company (UK) Ltd	251	20
The Capital Markets Company LLC	18	1
Capco Austria GmbH	3	-
<u>Interest expenses</u>		
The Capital Markets Company BVBA	1	198
Capco Austria GmbH	-	51
The Capital Markets Company (UK) Ltd	-	22
<u>Borrowings from subsidiaries</u>		
The Capital Markets Company BVBA	-	273
The Capital Markets Company (UK) Ltd	-	5
Capco Austria GmbH	-	50
<u>Loans to subsidiaries</u>		
The Capital Markets Company LLC	15	1
The Capital Markets Company GmbH	-	156
The Capital Markets Company (UK) Ltd	196	-
Capco Austria GmbH	20	-
<u>Repayment of loan by subsidiaries</u>		
The Capital Markets Company GmbH	142	-
<u>Repayment of borrowings to subsidiaries</u>		
The Capital Markets Company (UK) Ltd	58	-
Capco Austria GmbH	79	-
The Capital Markets Company BVBA	515	-

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

	As at 31 March 2023	As at 31 March 2022
<u>Balances other than loans :</u>		
i) Other financial liabilities		
Capco Austria GmbH	1,052	1,047
The Capital Markets Company BV	16	15
Wipro Limited	147	102
Trade receivables		
Wipro IT Services Poland SP Z.O.O	440	-
The Capital Markets Company GmbH	320	4,079
The Capital Markets Company S.a.r.l.D243	1,382	151
The Capital Markets Company (UK) Ltd	8,287	3,290
The Capital Markets Company LLC	705	303
The Capital Markets Company S.A.S.	295	-
The Capital Markets Company Limited (Canada)	288	-
ii) <u>Loan and borrowings :</u>		
Borrowings		
The Capital Markets Company BVBA	4,516	5,031
The Capital Markets Company (UK) Ltd	-	58
Capco Austria GmbH	-	79
Loans		
The Capital Markets Company (UK) Ltd	196	-
The Capital Markets Company GmbH	62	204
Capco Austria GmbH	20	-
The Capital Markets Company LLC	16	1

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. All the customers are in Europe i.e., only one geographical segment . Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and one geographical segment hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements.

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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 on a recurring basis:

	As at 31 March 2023	As at 31 March 2022
Financial assets measured at amortised cost		
Trade receivables	14,263	10,675
Unbilled receivables	3,486	2,849
Cash and cash equivalents	1,587	538
Loans	294	205
Other financial assets	152	175
Total	19,782	14,442
Financial liabilities measured at amortised cost		
Borrowings	4,516	5,168
Lease liabilities	758	-
Trade payables	2,525	1,665
Other financial liabilities	2,784	3,560
Total	10,583	10,393

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.

(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. During the year ended 31 March 2023, the revenue from two customer represents 66% of the total revenue from operation .

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.

(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 as on 31 March 2023:

31 March 2023	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Borrowings	-	4,516	-	-
Lease liabilities	-	403	355	-
Trade payables	-	2,525	-	-
Other financial liabilities	-	2,543	241	-
	-	9,987	596	-

The table below summarizes the maturity profile of the Company's financial liabilities as on 31 March 2022:

31 March 2022	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Borrowings	-	5,168	-	-
Trade payables	-	1,665	-	-
Other financial liability	-	3,183	377	-
	-	10,016	377	-

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.

	For the year ended 31 March 2023	For the period ended 29 April 2021 to 31 March 2022
Equity share capital	5	5
Other equity	8,211	3,250
Total equity	(i) 8,216	3,255
Borrowings other than convertible preference shares	4,516	5,168
Total debt	(ii) 4,516	5,168
Overall financing	(iii) = (i) + (ii) 12,732	8,423
Gearing ratio	(ii) / (iii) 0.35	0.61

32 The Company does not have any contingent liability and commitments as at 31 March 2023. However, the Company may be subject to litigations in the ordinary course of business. The management has assessed these incidents believe that there will be is no material or adverse impact to the financial position of the Company, on account of any such matter.

Capco Poland Sp. z.o.o.
Notes forming part of the Financial Statements for the year ended 31 March 2023
(Amount in '000 PLN, except share and per share data, unless otherwise specified)

33 Ratios analysis and its elements

Particulars	Numerator	Denominator	in times/%	As at 31 March 2023	As at 31 March 2022	% Variance	Note Reference for Variance
Current ratio	Current assets	Current Liabilities excluding current maturities of long-term borrowings	in times	1.59	1.26	26%	Refer Note (i)
Debt equity ratio	Non - Current Borrowings + Current Borrowings	Total equity	in times	0.55	1.59	-65%	Refer Note (ii)
Debt service coverage ratio	Profit before Tax + Interest (Net) + Depreciation and amortisation expenses	Interest (Net) + Lease Payments + Principal Repayments of borrowings]	in times	11.71	50.16	-77%	Refer Note (ii)
Return on equity ratio	Profit/ (loss) for the period	Average Total Equity	in %	86%	238%	-64%	Refer Note (iii)
Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA	NA	NA	Refer Note (iv)
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	in times	3.95	4.91	-20%	
Trade payables turnover ratio	Total expenses - Depreciation - Interest - Payroll Cost	Average trade payables	in times	9.61	10.06	-5%	
Net capital turnover ratio	Revenue from operations	Working Capital i.e. (Avg Current Assets - Avg Current Liabilities)	in times	6.56	9.83	-33%	Refer Note (v)
Net profit ratio	Profit/ (Loss) after tax	Total Income	in %	10%	12%	-18%	
Return on capital employed	Earnings before interest and taxes	Avg Equity + Avg Debt + Avg Leases	in %	57%	70%	-20%	
Return on investment	Income generated from treasury investments	Average invested funds in treasury investments	in %	182%	175%	NA	

Notes

- (i) Change is on account of increase in current assets higher than increase in current liabilities as compared to the previous year.
- (ii) Change is on account of decrease in debt during the year along with the increase in total equity during the year.
- (iii) Change is on account of increase in profit percentage over previous year being higher than increase in equity.
- (iv) The Company is primarily engaged in IT sector (service industry), Inventory ratio is not applicable to the Company.
- (v) Change is on account of increase in revenue from operation being higher than increase in trade receivables during the year as compared to previous year .

As per our report of even date

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Sd/-

Amrit Bhansali
Partner
Membership No: 065155

Place: Bengaluru
Date: 12 June 2023

For and on behalf of the Board of Directors of Capco Poland Sp. z.o.o.

Sd/-

Vivek Bakshi
Director

Place: Bucharest
Date: 12 June 2023

Sd/-

Sushil Agrawal
Director

Place: London
Date: 12 June 2023