

Special Purpose Financial Statements and Independent Auditor's Report

Capco Belgium BV

31 March 2022

# B S R & Co. LLP

Chartered Accountants

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## **Independent Auditor's Report**

### **To the Members of Capco Belgium BV**

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

##### **Opinion**

We have audited the accompanying special purpose financial statements of Capco Belgium 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 Capco Belgium 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 Capco Belgium 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/-

**Amrit Bhansali**

*Partner*

Membership No. 065155

UDIN: 22065155AKOFYT7846

Place: Bengaluru

Date: 8 June 2022

Capco Belgium BV

Balance Sheet

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

	Note	As at 31 March 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets		
Investments	5	2
		<u>2</u>
<b>Current assets</b>		
Financial assets		
Trade receivables	6	34,281
Loans	18	19,729
		<u>54,010</u>
		<u><u>54,013</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7	50
Other equity	8	25,976
		<u>26,026</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	9	27,973
Trade payables	10	
i)total outstanding dues of micro enterprises and small enterprises		-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		11
Other financial liabilities	11	3
		<u>27,986</u>
		<u><u>54,013</u></u>
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

For and on behalf of the Board of Directors of Capco  
Belgium BV

Sd/-

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

Sd/-

Sukanta Kundu  
Director  
Place: Paris  
Date: 8 June 2022

Sd/-

Barath Narayanan S S  
Director  
Place: Zurich  
Date: 8 June 2022

**Capco Belgium 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
<b>REVENUE</b>		
Revenue from operations	12	25
Other income	13	83
<b>Total income</b>		<b>107</b>
<b>EXPENSES</b>		
Finance costs	14	934
Other expenses	15	36
<b>Total expenses</b>		<b>970</b>
<b>Profit or (Loss) before tax</b>		<b>(863)</b>
Current tax		-
Deferred tax		-
<b>Tax expense</b>		<b>-</b>
<b>Profit or (Loss) for the period</b>		<b>(863)</b>
Other comprehensive income		-
<b>Total comprehensive income / (loss) for the period</b>		<b>(863)</b>

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 Belgium BV

Sd/-  
  
**Amrit Bhansali**  
Partner  
Membership No: 065155  
Place: Bengaluru  
Date: 8 June 2022

Sd/-  
  
**Sukanta Kundu**  
Director  
Place: Paris  
Date: 8 June 2022

Sd/-  
  
**Barath Narayanan S S**  
Director  
Place: Zurich  
Date: 8 June 2022

**Capco Belgium BV**  
**Statement of changes in equity**

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

	As at 31 March 2022	
	No. of shares	Amount
Equity shares of 500 EUR each issued, subscribed and fully paid		
Opening	100	50
Add: issue during the period	-	-
Closing	100	50

**(B) Other equity**

	Reserve and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance as at 29 April 2021	-	-	26,839	26,839
Profit for the period	-	-	(863)	(863)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the period	-	-	25,976	25,976
<b>Balance as at 31 March 2022</b>	-	-	25,976	25,976

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 Belgium BV

Sd/-

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Director  
Place: Paris  
Date: 8 June 2022

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Barath Narayanan S S  
Director  
Place: Zurich  
Date: 8 June 2022

**Capco Belgium 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**

<b>A. Cash flow from operating activities</b>	
Profit / (Loss) for the period	(863)
Adjustments	
Unrealised foreign exchange gain, net	(34)
Miscellaneous expenses	2
Interest income	(49)
Interest expense	934
<b>Operating profit / (loss) before working capital changes</b>	<b>(10)</b>
<b>Adjustments for working capital changes:</b>	
Trade and other receivables	(34,203)
Loans and advances and other assets	26,879
Trade and other payables	4
<b>Net cash used in operations</b>	<b>(7,330)</b>
Direct taxes (paid) / refund	-
<b>Net cash used in operating activities</b>	<b>(7,330)</b>
<b>Cash flows from investing activities:</b>	
Interest received	49
<b>Net cash generated by / (used in) investing activities</b>	<b>49</b>
<b>Cash flows from financing activities:</b>	
Repayment of inter company borrowings	(19,729)
Proceeds from inter company borrowings	27,937
Interest paid	(934)
<b>Net cash generated by / (used in) financing activities</b>	<b>7,274</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(7)</b>
Cash and cash equivalents at the beginning of the period	7
Effect of exchange rate changes on cash	
<b>Cash and cash equivalents at the end of the period</b>	<b>-</b>

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 Belgium BV**

Sd/-

**Amrit Bhansali**  
**Partner**

**Membership No: 065155**

Place: Bengaluru

Date: 8 June 2022

Sd/-

**Sukanta Kundu**  
**Director**

Place: Paris

Date: 8 June 2022

Sd/-

**Barath Narayanan S S**  
**Director**

Place: Zurich

Date: 8 June 2022



**Capco Belgium 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 Investments**

	<b>As at 31 March 2022</b>
Investment in equity instrument designated as at fair value through OCI (fully paid)	2
Unquoted equity shares - Refer - Note 1	
Current	-
Non- Current	2
	2
<b>Aggregate book value of:</b>	
Quoted investments	-
Unquoted investments	2
<b>Aggregate market value of:</b>	
Quoted investments	-
Unquoted investments	-

Note 1:

Name	% of Holding - 31 March 2022
The Capital Markets Company Slovakia, s. r. o.	15%
Capco Consultancy (Thailand) Ltd	1%

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

Name of the subsidiary	Currency	Face Value	No of Units	Balances as at 31 March 2022		
			31 March 2022	Gross Value	Impairment	Net Value
The Capital Markets Company Slovakia, s. r. o.*	EUR			750	-	750
Capco Consultancy (Thailand) Ltd	EUR	THB 100	550	1,484	-	1,484
<b>Total</b>				<b>2,234</b>	<b>-</b>	<b>2,234</b>

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

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information (Amount in '000 EUR, except share and per share data, unless otherwise specified)

#### 1 General Information

The Capco Belgium BV is a subsidiary of The Capital Markets Company BVBA, incorporated and domiciled in Europe. 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 Capco Belgium BV comprises the balance sheets as at 31 March 2022; the statement of profit and loss, the statement of cash flow, the statement of changes in equity and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2022, and other additional financial disclosures.

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

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

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any.

The financial performance and position of the Company and the subsidiaries are included in the consolidated financial statements of Wipro Limited, incorporated under the Companies Act, 2013, with effect from 21 February 2020 and having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035.

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

###### (ii) Basis of Measurement

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

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information (Amount in '000 EUR, except share and per share data, unless otherwise specified)

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

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

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

##### A. Cash and cash equivalent

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.

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information (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.

##### Other income

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

#### 2.4 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.

#### 2.5 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 year 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 Belgium BV

### Summary of significant accounting policies and other explanatory information (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.

#### **2.6 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.

#### **2.7 Equity and share capital**

##### **(a) Share capital**

The authorized share capital of the Company as of 31 March 2022 is EUR 50,000 divided into 100 equity shares of EUR 500 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 capital reserve and undistributed earnings after taxes.

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information

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

#### 2.8 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.

#### 2.9 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.

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information

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

#### 2.10 Impairment of non-financial assets

The Company assesses at each year 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.

### 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 year 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.

## Capco Belgium BV

### Summary of significant accounting policies and other explanatory information

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

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.

#### 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 year ended 31 March 2022.



**Capco Belgium 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**

**6 Trade receivables**

**Unsecured**

Considered good *	34,281
Considered doubtful	-
Less-Allowance for bad and doubtful debts	-
	<b>34,281</b>

Further classified as:

Receivable from related parties	34,281
Receivable from others	-
includes payable to related parties (Refer Note 18)	

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	34,281	-	-	-	-	-	34,281
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>34,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,281</b>

**7 Share capital**

**Authorised**

100 Equity shares of EUR 500 each	50
	<b>50</b>

**Issued, subscribed and paid-up**

	50
	<b>50</b>

**Capco Belgium 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)**

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

	Number of shares	Amount
Outstanding at the beginning of the period	100	50
Add: Issued during the period	-	-
Outstanding at the end of the period	100	50

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has only one class of equity shares having par value of 500 EUR per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2022	
	Number of shares	% of holding in the class
100 Equity shares of EUR 500 each		
The Capital Markets Company BVBA	100	100
	100	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
100 Equity shares of EUR 500 each		
The Capital Markets Company BVBA	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 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 end.

**Capco Belgium 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)**

**8 Other equity**

	<u>As at 31 March 2022</u>
<b>Surplus/(deficit) in the statement of profit and loss</b>	
Opening balance	26,839
Add: Net Profit / (loss) for the current period	(863)
<b>Closing balance</b>	<u><b>25,976</b></u>

**9 Borrowings**

**i Current borrowings**

Loans payable on demand(Unsecured)*	27,973
	<u><b>27,973</b></u>

\* The unsecured loans are taken from related parties (Refer Note 18) and payable on demand. The interest rate on promissory note loan is 3.2% to 4.05% and intercompany loans is 4.79%

**10 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	11
	<u><b>11</b></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	11	-	-	-	-	11
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**11 Other financial liabilities**

**Current**

Payable to related parties (Refer Note 18)	3
	<u><b>3</b></u>

## Capco Belgium 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

### 12 Revenue from operations

Sale of services*	25
Total revenue from operations	<u>25</u>

\* The amount includes related party transaction. Refer Note 18

### 13 Other income

Interest income*	49
Foreign exchange gain, net	34
	<u>83</u>

\* The amount includes related party transaction. Refer Note 18

### 14 Finance cost

Interest on loans and advances*	934
	<u>934</u>

\* The amount includes related party transaction. Refer Note 18

### 15 Other expenses

Legal and professional charges	32
Bank Charges	3
Miscellaneous expenses	2
	<u>36</u>

## Capco Belgium 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)

### 16 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:

	<u>31 March 2022</u>
Loss attributable to equity holders	(863)
Less: preference dividend after-tax	-
Loss attributable to equity holders after preference dividend	<u>(863)</u>
Add: Interest on convertible preference shares	-
Loss attributable to equity holders adjusted for the effect of dilution	(863)
Weighted average number of equity shares - for basic and diluted EPS	100
Earnings per share - Basic and diluted	(8,628)

### 17 Current tax

	<u>31 March 2022</u>
Profit / (Loss) Before Taxation	(863)
Enacted Income Tax Rate	25%
Computed Expected Tax Expenses	-
Effect of	
Others Net	-
Income tax expense	<u>-</u>

**Capco Belgium 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)

**18 Related party disclosure**

**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
The Capital Markets Company BVBA	Holding Company	Belgium

**b) Others**

The Capital Markets Company Slovakia, s.	Fellow Subsidiaries	Slovakia
Capco Consultancy (Thailand) Ltd	Fellow Subsidiaries	Thailand
The Capital Markets Company (UK) Ltd	Fellow Subsidiaries	UK
Wipro IT Services UK Societas	Fellow Subsidiaries	UK

**b) The Company has the following related party transactions:**

**Particulars**

**Sale of services**

The Capital Markets Company (UK) Ltd	25
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**Interest income**

Wipro IT Services UK Societas	49
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**Interest expenses**

The Capital Markets Company BVBA	933
The Capital Markets Company (UK) Ltd	1

**Loan received during the period**

The Capital Markets Company BVBA	27,937
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**Loan repaid during the period**

Wipro IT Services UK Societas	19,729
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## Capco Belgium 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:

i) **Balances other than loans :**

**Other financial liabilities**

The Capital Markets Company (UK) Ltd	3
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**Trade receivables**

The Capital Markets Company BVBA	25,105
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The Capital Markets Company Slovakia, s. r. o.	9,176
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ii) **Loan Balances :**

**Borrowings**

The Capital Markets Company BVBA	27,971
----------------------------------	--------

Grove Holdings 2 S.a.r.l.	2
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**Loans**

Wipro IT Services UK Societas	19,729
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### 19 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.

**Capco Belgium 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)**

**20 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. The Company usually provides to loan at a floating rate.

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

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

**Fair value hierarchy**

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

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either

directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents fair value hierarchy of assets and liabilities

<b>Particular</b>	<b>As at 31 March 2022</b>			
	<b>Fair value measurements at reporting date</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
Trade receivables	34,281	-	-	34,281
Loans	19,729	-	-	19,729
<b>Total</b>	<b>54,010</b>	<b>-</b>	<b>-</b>	<b>54,010</b>
<b>Financial Liabilities</b>				
Trade payables	11	-	-	11
Borrowings	27,973	-	-	27,973
Payable to related parties	3	-	-	3
<b>Total</b>	<b>27,986</b>	<b>-</b>	<b>-</b>	<b>27,986</b>



## Capco Belgium 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)

### 21 Financial risk management objectives and policies

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

#### (A) Market risk

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

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. There are no long-term debt obligations as at 31 March 2022.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

#### (B) Credit risk

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

## Capco Belgium 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)

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:

	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
<u>31 March 2022</u>				
Trade payables	-	11	-	-
Other financial liability	-	3	-	-
	-	14	-	-

## Capco Belgium 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)

### 22 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	50
Other Equity	25,976
Total equity	(i) <b>26,026</b>
Borrowings other than convertible preference shares	27,973
Less: cash and cash equivalents	-
Total debt	(ii) <b>27,973</b>
Overall financing	(iii) = (i) + (ii) <b>53,999</b>
Gearing ratio	(ii)/ (iii) <b>0.52</b>

## Capco Belgium 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 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 year 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.

### 24 There are no contingent liabilities as at 31 March, 2022.

**Capco Belgium 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)**

**25 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	1.93
Debt equity ratio	Non - Current Borrowings + Current Borrowings	Total equity	in times	1.08

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	0.12
Return on equity ratio	Profit/(loss) for the period	Average Total Equity	in %	-3.26%
Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA
Trade receivable turnover ratio	Revenue from operations	Average trade receivable	in times	0.00
Trade payables turnover ratio	Total expenses - Depreciation - Interest -	Average trade payables	in times	3.54
Net capital turnover ratio	Revenue from operations	* Working Capital i.e (Avg Current Assets - Avg Current Liabilities)	in times	0.00
Net profit ratio	Profit/(Loss) after tax	Total Income	in %	-805.78%
Return on capital employed	Earnings before interest and taxes	* Avg Equity + Avg Debt + Avg Leases	in %	0.13%
Return on investment	Dividend	Investment	in %	0.00%

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

For and on behalf of the Board of Directors of  
Capco Belgium BV

Sd/-

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

Sd/-

Sukanta Kundu  
Director  
Place: Paris  
Date: 8 June 2022

Sd/-

Barath Narayanan S S  
Director  
Place: Zurich  
Date: 8 June 2022