

Financial Statements and Independent Auditor's Report

The Capital Markets Company LLC

31st March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF THE CAPITAL MARKETS COMPANY LLC

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **The Capital Markets Company LLC** ("the Company"), which comprise the Balance Sheet as at March 31, 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 year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Wipro Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 2.1 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 2.1 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding 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

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true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 financial 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 made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

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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.

Basis of Accounting

We draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

For Deloitte Haskins and Sells LLP

Chartered Accountants

(Firm Registration number. No. 117366W/W-100018)

Sd/-

Amit Ved

Partner

Membership Number: 120600

Place: Bengaluru

Date: June 20, 2022

UDIN: 22120600ALGZEY9470

The Capital Markets Company LLC
Balance Sheet as at 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

	Note	As at 31st March 2022
ASSETS		
Non-current assets		
Property, plant and equipment	5	1,738,095
Right of use Assets	6	4,492,044
Other financial assets	8	621,925
Investment in subsidiaries	7	4,000,000
Deferred tax - assets	20	1,668,899
		<u>12,520,963</u>
Current assets		
Financial assets		
Trade receivables	10	30,401,547
Unbilled Receivables		24,419,458
Cash and cash equivalents	11	9,555,116
Loan to subsidiaries	23	45,025,470
Other financial assets	8	20,352,491
Contract Asset		1,947,126
Other current assets	9	2,611,127
		<u>134,312,335</u>
		<u>146,833,298</u>
EQUITY AND LIABILITIES		
Equity		
Equity Share capital		125,226,772
Other equity		(12,918,230)
		<u>12,308,542</u>
Liabilities		
Non-current liabilities		
Other financial liabilities	12	2,223,395
Lease Liabilities	22	2,052,030
		<u>4,275,425</u>
Current liabilities		
Financial liabilities		
Trade Payables	3	-
i)total outstanding dues of micro enterprises and small enterprises		-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		4,420,637
Other financial liabilities	12	110,935,774
Lease Liabilities	22	2,600,565
Contract Liabilities		646,194
Provisions - leave liabilities		1,934,390
Other liabilities	13	3,197,784
Current tax liabilities (net)		6,513,986
		<u>130,249,331</u>
		<u>146,833,298</u>
Summary of significant accounting policies	2	
The accompanying notes are an integral part of these financial statements 1-27		

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

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

Sd/-

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Sd/-

Amit Ved
Partner
Membership No: 120600

Rajan Kohli
Director

Mohit Bansal
Director

Place: Bangalore
Date: 20 June 2022

Place: New Jersey
Date: 20 June 2022

Place: Florida
Date: 20 June 2022

The Capital Markets Company LLC
Statement of Profit and Loss for the period 29th April 2021 to 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

	Notes	Period from 29th April to 31st March 2022
REVENUE		
Revenue from operations	14	280,320,280
Other income	15	8,067,003
Total income		288,387,283
EXPENSES		
Employee benefit expenses	16	171,153,113
Depreciation and amortisation expense	5	4,491,794
Finance costs	17	6,529,281
Other expenses	18	72,510,264
Total expenses		254,684,453
Profit before tax		33,702,830
Current tax	20	11,749,449
Deferred tax	20	(1,668,899)
Tax expense		10,080,550
Profit for the period 29th April 2021 to 31st March 2022		23,622,280
Total comprehensive income for the period 29th April 2021 to 31st March 2022		23,622,280

See accompanying notes to financial statements

1-27

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants
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**For and on behalf of the Board of Directors of
The Capital Markets Company LLC**

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Amit Ved
Partner
Membership No: 120600

Rajan Kohli
Director

Mohit Bansal
Director

Place: Bangalore
Date: 20 June 2022

Place: New Jersey
Date: 20 June 2022

Place: Florida
Date: 20 June 2022

The Capital Markets Company LLC
Statement of changes in equity for the period 29th April 2021 to 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

(A) Equity share capital

	As at 31st March 2022	
	No. of shares	Amount
Opening	-	125,226,772
Add: issue during the year	-	-
Closing	-	125,226,772

As per the local laws of USA, there is no requirement of number of shares and face value thereof for a Limited Liability Company (LLC). Hence the investment by the Company is considered as equity contribution.

(B) Other equity

	Retained earnings	Total
Balance as at 29th April 2021	(136,540,510)	(136,540,510)
Profit for the year	23,622,280	23,622,280
Other comprehensive income	-	-
Total other comprehensive income for the year	(112,918,230)	(112,918,230)
Balance as at 31 March 2022	(112,918,230)	(112,918,230)

See accompanying notes to the financial statements 1-27

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Deloitte Haskins and Sells LLP
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Director

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Date: 20 June 2022

Place: New Jersey
Date: 20 June 2022

Place: Florida
Date: 20 June 2022

The Capital Markets Company LLC
Statement of cash flows for the period 29th April 2021 to 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

Period from 29th April to
31st March 2022

A. Cash flow from operating activities	
Profit for the year	33,702,830
Adjustments	
Depreciation and amortization	4,491,794
Unrealised exchange differences - net	(3,284,577)
Share based compensation	(674,457)
Interest income	(4,782,426)
Interest expense	6,468,412
Operating profit / (loss) before working capital changes	35,921,576
Adjustments for working capital changes:	
Trade Receivables, Unbilled Receivables and contract assets	(18,595,440)
Loans and advances and other assets	205,396,346
Inter Co transactions with Fellow subsidiaries	(87,481,117)
Trade and other payables	(77,109,261)
Contract liabilities	172,467
Net cash (used in) operations	58,304,570
Direct taxes (paid) / refund	(1,245,583)
Net cash generated by operating activities	57,058,987
 Cash flows from investing activities:	
Acquisition of plant and equipment	(1,389,141)
Sale of plant and equipment	251,559
Inter Company Loans to subsidiaries	(45,025,470)
Interest Income	4,782,426
Net cash used in investing activities	(41,380,626)
 Cash flows from financing activities:	
Repayment of Finance lease obligation	(2,480,844)
Interest expense	(6,468,412)
Net cash used in financing activities	(8,949,256)
 Net increase / (decrease) in cash and Cash equivalents during the year	6,729,105
 Cash and cash equivalents at 29th April 2021	2,826,011
Effect of exchange rate changes on Cash	
Cash and cash equivalents at the end of the year (refer note 11)	9,555,116

See accompanying notes to the financial statements 1-27

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

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

Sd/-

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Partner
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Director

Sd/-

Mohit Bansal
Director

Place: Bangalore
Date: 20 June 2022

Place: New Jersey
Date: 20 June 2022

Place: Florida
Date: 20 June 2022

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

1 General Information

The Capital Markets Company LLC is a subsidiary of Cardinal US Holdings Inc, incorporated and domiciled in United States of America. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is USD. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

Cardinal US Holdings Inc, has been acquired by Wipro IT Services LLC, with effect from April 29, 2021 and considering that this special purpose financial statements are 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, the financial statement are prepared for the period post acquisition i.e. for April 29, 2021 to March 31, 2022

2 Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

These are the Standalone financial statements of The Capital Markets Company LLC. The Company has not prepared consolidated financial statements because it has availed the specific exemption from the preparation of consolidated financial statements, available under Ind AS 110, "Consolidated Financial Statements". Accordingly, the investment in the subsidiaries are accounted for on a cost basis in these standalone financial statements.

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, and having its registered office at Doddakanelli, Sarjapur Road, Bengaluru - 560035, Karnataka, India.

The standalone 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 Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for new accounting standards adopted by the Company.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in USD except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

Amounts below rounding off norm adopted by the Company been disclosed as nil in the financial statement.

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The functional currency of the company is US Dollar and the financial statement is also presented in US Dollar.

(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, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates are monetary amounts in the standalone financial statements that are subject to measurement uncertainty. An accounting policy may require items in standalone financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, management develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available and reliable information. Actual results may differ from those accounting estimates.

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

a) Revenue recognition

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period

c) Uncertainty relating to the global health pandemic on COVID-19:

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these

3 Material accounting policy information

(i) Functional and presentation currency

The functional currency of the Company is United States Dollar. These financial statements are presented in United States Dollar.

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

(ii) **Foreign currency transactions and translations**

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.

(iii) **Financial instruments**

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.

- financial liabilities, which include long and short-term loans and borrowings, trade payables, lease liabilities, and eligible current and non-current liabilities.

Non- derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

B Investments

Investment in equity instruments of subsidiaries are measured at cost less impairment.

Investment in redeemable preference shares of subsidiaries are measured at FVTPL. These investments are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The gain or loss on disposal is recognised in statement of profit and loss.

C 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 recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables, finance lease receivables, employee and other advances and other eligible current and non-current assets.

D Trade payables and other liabilities

Trade payables other liabilities are initially recognised 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. Contingent consideration recognised in a business combination is subsequently measured at fair value through profit or loss.

E Share Capital and Reserves

The authorised share capital of the Company as at March 31, 2022 is US\$ 125,226,772

Every holder of the equity shares, as reflected in the records of the Company as at the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

F Retained earnings

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

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

G Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised 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. Leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful Life
Plant and Equipment	5 - 21 years
Computer equipment and software	2 - 7 years
Furniture, fixtures and equipments	3 - 10 years
Vehicles	4 - 5 years

H Leases

The Company as a lessee

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 Right of Use (“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.

- H** 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.

I Employee Benefits:

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as defined contribution plans. Under a defined contribution plan, the Company’s sole obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
(Amount in USD, except share and per share data, unless otherwise specified)

J Compensated absences

The employees of the Company are entitled to compensated absences. 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. The Company recognises accumulated compensated absences based on the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur.

K Share-based payment transactions

Selected employees of the Company receive remuneration in the form of equity settled instruments or cash settled instruments, for rendering services over a defined vesting period and for Company's performance-based stock options over the defined period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. In cases, where equity instruments are granted at a nominal exercise price, the intrinsic value on the date of grant approximates the fair value. The expense is recognised in the statement of profit and loss with a corresponding increase to the share options outstanding account, a component of equity.

The equity instruments or cash settled instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments or cash settled instruments that will eventually vest.

Cash Settled instruments granted are re-measured by reference to the fair value at the end of each reporting period and at the time of vesting. The expense is recognised in the statement of profit and loss with a corresponding increase to the financial liability.

L Provisions:

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

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

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

M Revenue

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

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognising revenues and costs depends on the nature of the services rendered:

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A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

B. Fixed-price contracts

i) Fixed-price development contracts

Revenues from fixed-price development contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognised using the “percentage-of-completion” method. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. 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 is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

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.

ii) Maintenance contracts

Revenues related to fixed-price maintenance contracts are recognised on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using percentage of completion method when the pattern of benefits from the services rendered to the customers and the cost to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue for contracts in which the invoicing is representative of the value being delivered is recognised based on our right to invoice. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method.

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 recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term

iii) Element or Volume based contracts

Revenues and costs are recognised as the related services are rendered.

Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates, pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company’s historical experience of material usage and service delivery costs.

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
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N Finance costs

Finance costs comprises interest cost on borrowings, lease liabilities and net defined benefit liability, gains or losses arising on re-measurement of financial assets measured at FVTPL, net loss on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

O Finance and other income

Finance and other income comprises interest income on deposits, dividend income, gains/(losses) on disposal of investments and net gain on translation or settlement of foreign currency borrowings. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

P Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in these standalone financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 year ended March 31, 2022.

Amendment to Ind AS 116 - COVID-19-Related Rent Concessions

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. The adoption of these amendments did not have any material impact on the standalone statement of profit and loss for the three months and year ended March 31, 2022

Amendment to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116 - Interest Rate Benchmark Reform - Phase 2

This amendment relates to 'Interest Rate Benchmark Reform – Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are: Ind AS 109:

New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these

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Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020.

The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on

New amendments not yet adopted

Companies (Indian Accounting Standards) Amendment Rules, 2022

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Amendments to Ind AS 103 - Business Combinations - Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not

Amendments to Ind AS 109 - Financial Instruments

The amendments clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability.

The adoption of amendments to Ind AS 109 will not have any material impact on the standalone financial statements.

Amendments to Ind AS 16 - Property, Plant and Equipment - Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Amendments to Ind AS 37 - Onerous Contracts - Cost of Fulfilling a Contract

The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others).

The adoption of amendments to IAS 37 is not expected to have any material impact on the standalone financial statements.

The Capital Markets Company LLC
Summary of significant accounting policies and other explanatory information
(Amount in USD, except share and per share data, unless otherwise specified)

5 Property, plant and equipment

	Furniture and fixtures	Computers	Office equipments	Total
Gross block (at cost)				
Balance as at 28th April 2021	6,593,717	13,808,661	2,211,808	22,614,186
Additions	9,371	1,374,133	5,637	1,389,141
Disposals/adjustment*	-	(523,372)	-	(523,372)
Balance as at 31 March 2022	6,603,087	14,659,422	2,217,445	23,479,954
Accumulated depreciation				
Balance as at 28th April 2021	(6,497,475)	(11,515,455)	(2,040,389)	(20,053,320)
Depreciation charge	(35,288)	(1,842,601)	(89,464)	(1,967,353)
Disposals/adjustment*	-	278,813	-	278,813
Balance as at 31 March 2022	(6,532,763)	(13,079,243)	(2,129,853)	(21,741,860)
Net block				
Balance as at 31 March 2022	70,324	1,580,179	87,592	1,738,095

* Includes regrouping/reclassification within the block of assets.

The Capital Markets Company LLC
Summary of significant accounting policies and other explanatory information
(Amount in USD, except share and per share data, unless otherwise specified)

6 Right of use assets

Particulars	Buildings/ Lease Hold	Total
Gross block		
Balance as at 28th April 2021	7,023,485	7,023,485
Disposals during the year	(7,000)	(7,000)
Balance as at 31 March 2022	7,016,485	7,016,485
Accumulated depreciation		
Balance as at 28th April 2021	-	-
Charge for the year	(2,524,441)	(2,524,441)
Disposals/Adjustment	-	-
Balance as at 31 March 2022	(2,524,441)	(2,524,441)
Net block		
Balance as at 31 March 2022	4,492,044	4,492,044

The Capital Markets Company LLC
Summary of significant accounting policies and other explanatory information
(Amount in USD, except share and per share data, unless otherwise specified)

7 Investments

As at
31st March 2022

Unquoted Non Current Investment in equity shares of the subsidiary

4,000,000

Note 1: Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of the subsidiary	% of Holding - 31-03-2022	Face Value	No of Units	Balances as at March 31, 2022		
			March 31, 2022	Gross Value	Impairment	Net Value
CAPCO (US) LLC	100%			4,000,000	-	4,000,000
Total				4,000,000	-	4,000,000

The Capital Markets Company LLC
Summary of significant accounting policies and other explanatory information
(Amount in USD, except share and per share data, unless otherwise specified)

	<u>As at 31st March 2022</u>
8 Other financial assets	
Non Current	
Security deposits	621,925
	<u>621,925</u>
Current	
Advance from employees	13,178
Balance with Group Companies	20,339,314
	<u>20,352,491</u>
9 Other assets	
Current	
Prepaid expenses	2,611,127
	<u>2,611,127</u>
10 Trade Receivables	
Unsecured	
Considered good *	30,401,547
Considered doubtful	-
Less-Allowance for bad and doubtful debts	-
	<u>30,401,547</u>
11 Cash and Cash equivalents	
Balances with banks	
- in current account	9,555,116
- in Short term deposit	-
	<u>9,555,116</u>
12 Other financial liabilities	
Non-current	
Salary payable	2,223,395
	<u>2,223,395</u>
Current	
Salary payable	23,995,967
Payable to group companies* (refer note 23)	86,939,807
	<u>110,935,774</u>
13 Other liabilities	
Current	
Statutory liabilities	2,897,784
Other liabilities	300,000
	<u>3,197,784</u>

The Capital Markets Company LLC
Summary of significant accounting policies and other explanatory information
(Amount in USD, except share and per share data, unless otherwise specified)

	Period from 29th April to 31st March 2022
14 Revenue from operations	
Sale of services	280,320,280
Total revenue from operations	280,320,280
15 Other income	
Interest income	4,782,426
Foreign exchange gain, net	3,284,577
	8,067,003
16 Employee benefits expense	
Salaries and wages	169,096,732
Share based compensation	674,457
Staff welfare expenses	1,381,923
	171,153,113
17 Finance Cost	
Interest on loans and Advances	6,468,412
Bank Charges	60,870
	6,529,281
18 Other expenses	
Sub contracting / technical fees / third party application	59,532,458
Facility expenses	1,141,172
Software Licence Fees	3,055,225
Travel	1,075,583
Legal and professional charges	2,263,081
Communication	942,225
Miscellaneous expenses	4,500,520
	72,510,264

19 Earning per share (EPS)

As per the local laws of USA, there is no requirement of number of shares and face value thereof for a Limited Liability Company (LLC). Hence the investment by the Company is considered as equity contribution

20 Income Tax

“The Capital Markets Company LLC is included in the consolidated tax return of Wipro Limited. The Company calculates the provision for income taxes by using a “separate return” method. Under this method, the Company computes tax provision as if it will file a separate return with the tax authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from Wipro Limited.

Currently the Company does not have any difference between the tax provision (or benefit) allocated under the separate return method and payments to be made to (or received from) Wipro Limited for tax expense.

Income tax expense has been allocated as follows:

	<u>As At</u>
	<u>March 31, 2022</u>
Income tax expense	
Current tax	11,749,449
Deferred tax	(1,668,899)
Total income taxes	<u>10,080,550</u>

The reconciliation between the provision of income tax and amounts computed by applying

	<u>As At</u>
	<u>March 31, 2022</u>
Profit/(Loss) before taxes	33,702,830
Enacted income tax rate in USA	28%
Computed expected tax expense	9,436,792
Effect of:	
Expenses disallowed for tax purposes	330,490
Others	313,268
	<u>10,080,550</u>

The components of deferred tax assets and liabilities are as follows

	<u>As At</u>
	<u>March 31, 2022</u>
Deferred tax Assets	
Accrued expenses	2,405,873
Unrealised forex	(919,682)
Property, plant and equipment	342,377
Others	(159,669)
Net deferred tax Assets	<u>-</u>

The Capital Markets Company LLC
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21 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".

The stock compensation expense recognised for employee services received during the year ended year ended March 31, 2021 were US\$ **674,457**

A summary of the general terms of grants under stock option plans and restricted stock unit option plans are as follows:

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

The 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	Number of Options
		March 31, 2022
Outstanding at the beginning of the year		-
Granted	US \$ 0.03	638,839
Exercised		-
Forfeited and Expired		-
Outstanding at the end of the year	US \$ 0.03	638,839
Exercisable at the end of the year		-

22 Leases

Finance Leases Payables:

The following is a schedule of present value of future minimum lease payments under finance leases, together with the value of minimum lease payments

	As at
	31st March 2022
Present value of minimum lease payments	
Not later than 1 year	2,693,771
Later than 1 year and not later than 5 years	2,084,381
	<u>4,778,152</u>
Total present value of minimum lease payments	4,778,152
Less: Amount representing interest	125,558
Total value of minimum lease payments	<u>4,652,595</u>

Significant portions of these facilities bear floating rate of interest, referenced to country specific official benchmark interest rates, and a spread determined based on market conditions.

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
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23 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
Cardinal US Holdings Inc	Holding Company	US
CAPCO (US) LLC	Subsidiary	US
ATOM Solutions LLC	Fellow subsidiary	US
Capco Austria GmbH	Fellow subsidiary	Austria
Capco Brasil Serviços e Consultoria em Informática Ltda	Fellow subsidiary	Brazil
Capco Consultancy (Malaysia) Sdn. Bhd.	Fellow subsidiary	Malaysia
Capco Consultancy (Thailand) Ltd	Fellow subsidiary	Thailand
Capco Consulting Services LLC	Fellow subsidiary	US
Capco Consulting Singapore Pte Ltd	Fellow subsidiary	Singapore
Capco Poland Sp. z.o.o.	Fellow subsidiary	Poland
Capco RISC Consulting LLC	Fellow subsidiary	US
Capco Technologies Pvt. Ltd	Fellow subsidiary	India
NEOS LLC	Fellow subsidiary	US
Spectramind Inc.	Fellow subsidiary	India
The Capital Markets Company (UK) Ltd	Fellow subsidiary	UK
The Capital Markets Company BV	Fellow subsidiary	Belgium
The Capital Markets Company BVBA	Fellow subsidiary	Belgium
The Capital Markets Company GmbH	Fellow subsidiary	Germany
The Capital Markets Company Limited (Canada)	Fellow subsidiary	Canada
The Capital Markets Company Limited (Hong Kong)	Fellow subsidiary	Hong Kong
The Capital Markets Company S.a.r.l.	Fellow subsidiary	Switzerland
The Capital Markets Company S.A.S.	Fellow subsidiary	France
The Capital Markets Company Slovakia, s. r. o.	Fellow subsidiary	Slovakia
Wipro IT Services, LLC	Fellow subsidiary	US

b) The Company has the following related party transactions:

<u>Particulars</u>	<u>As at</u> <u>31st March 2022</u>
<u>Sale of Services</u>	
The Capital Markets Company Limited (Canada)	4,522,912
The Capital Markets Company GmbH	21,333
NEOS LLC	234,119
Capco Consulting Singapore Pte Ltd	39,273
The Capital Markets Company (UK) Ltd	11,093,059
Wipro Limited	400,715
<u>Cost of Services</u>	
Capco Austria GmbH	116,909
Capco Brasil Serviços e Consultoria em Informática Ltda	311,546
The Capital Markets Company Limited (Canada)	3,634,901
The Capital Markets Company Limited (Hong Kong)	194,821
The Capital Markets Company GmbH	136,536
Capco Poland Sp. z.o.o.	75,046
Capco Consulting Singapore Pte Ltd	42,642
The Capital Markets Company S.a.r.l.	2,316
The Capital Markets Company (UK) Ltd	27,710,985
Capco Consulting Services LLC	1,072
Capco RISC Consulting LLC	100
Others	23,236

The Capital Markets Company LLC
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Interest Income

Others	4,848
Capco Brasil Serviços e Consultoria em Informática Ltda	18,738
Wipro Limited	25,471
NEOS LLC	33,338
The Capital Markets Company Limited (Hong Kong)	117,592
The Capital Markets Company BVBA	609,162
Cardinal US Holdings Inc	3,951,407

Interest Expenses

The Capital Markets Company (UK) Ltd	2,124,337
Capco RISC Consulting LLC	1,826,359
Capco Consulting Services LLC	1,351,927
The Capital Markets Company Limited (Canada)	410,442
CAPCO (US) LLC	338,789
ATOM Solutions LLC	207,782
The Capital Markets Company S.a.r.l.	70,386
The Capital Markets Company GmbH	4,457
Capco Austria GmbH	898

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

	<u>As at</u> <u>31st March 2022</u>
i) <u>Balances other than loans :</u>	
Payable balances	
The Capital Markets Company (UK) Ltd	40,197,025
Capco Consulting Services LLC	16,093,980
CAPCO (US) LLC	10,751,734
Capco RISC Consulting LLC	8,119,634
ATOM Solutions LLC	4,665,823
The Capital Markets Company Limited (Canada)	1,846,678
NEOS LLC	1,844,921
The Capital Markets Company S.a.r.l.	1,750,028
Wipro Ltd	1,359,453
Capco Austria GmbH	111,205
The Capital Markets Company GmbH	103,213
Capco Poland Sp. z.o.o.	72,396
The Capital Markets Company Slovakia, s. r. o.	21,462
Others	2,256
Receivable balances	
The Capital Markets Company BV	27,529
Capco Consulting Singapore Pte Ltd	66,033
Cardinal US Holdings Inc	2,551,157
The Capital Markets Company Limited (Hong Kong)	2,846,180
The Capital Markets Company BVBA	14,848,414
	<u>As at</u> <u>31st March 2022</u>
ii) <u>Loan Balances :</u>	
Receivable balances	
Wipro IT Services, LLC	45,025,470

24 Segment reporting

The Company publishes these standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

The Capital Markets Company LLC
Notes forming part of the Financial Statements for the year ended 31st March 2022
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25 Fair values of financial assets and financial liabilities

Financial assets and liabilities include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, eligible current and non-current assets, trade payables, and eligible current liabilities and non-current liabilities.

The fair value of cash and cash equivalents, trade receivables, unbilled revenues, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Accordingly, the carrying value of such long-term debt approximates fair value. As of March 31, 2022, the carrying value of such receivables, net of allowances approximates the fair value.

26 Financial risk management objectives and policies

Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

Risk management procedure

The Company manages market risk through a corporate treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by senior management. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in USD currency. Consequently, the Company is not exposed to material foreign exchange risk.

Credit 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. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Counterparty Risk

Counterparty risk encompasses issuer risk on marketable securities, settlement risk on derivative and money market contracts and credit risk on cash and time deposits. Exposure to these risks are closely monitored and maintained within predetermined parameters.

Financial assets that are neither past due nor impaired

Liquidity risk

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's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2022, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

	<u>Carrying value</u>	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 4 years</u>
Trade payables	4,420,637	4,420,637	-	-
Other financial liability	138,549,710	138,549,710	-	-
Obligation under finance lease	4,652,595	2,673,406	1,979,189	-
	<u>147,622,942</u>	<u>145,643,753</u>	<u>1,979,189</u>	<u>-</u>

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

As per our report of even date
For Deloitte Haskins and Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

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

Sd/-

Sd/-

Sd/-

Amit Ved
Partner
Membership No: 120600

Rajan Kohli
Director

Mohit Bansal
Director

Place: Bengaluru
Date: 20 June 2022

Place: New Jersey
Date: 20 June 2022

Place: Florida
Date: 20 June 2022