

Special Purpose Financial Statements and Independent Auditor's Report

Capco (UK) 1, Limited

31 March 2024

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Capco (UK) 1, Limited

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

#### Opinion

We have audited the accompanying special purpose financial statements of Capco (UK) 1, Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2(a) to the Special Purpose Financial Statements, these Special Purpose Financial Statements include limited information and have been prepared by the Management of Wipro Limited ("the Parent") solely for inclusion in the annual report of Wipro limited for the year ended 31 March 2024 under the requirements of section 129(3) of the Companies Act, 2013, in accordance with the accounting policies of the Parent and in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of presentation referred to in Note 2(a) to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

#### Material Uncertainty Related to Going Concern

We draw attention to note 2(a) to the accompanying financial statements which indicates that the Company has made a profit of GBP 5 thousand during the current year as at 31 March 2024. The entity has filed for **liquidation** on 25<sup>th</sup> August 2023. These events or conditions indicate that a material uncertainty exists regarding the Company's ability to continue as going concern.



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

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

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

The 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 financial position, financial performance and total 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, 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 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 also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As per our report attached For  
D. Prasanna & Co.  
Chartered Accountants

D Prasanna Kumar  
Proprietor  
Membership No: 211367



Place: Bengaluru  
Date: 24 May 2024

UDIN: 24211367BKELWQ7118

Capco (UK) 1, Limited

Balance Sheet

(Amount in GBP, except share and per share data, unless otherwise specified)

	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Current tax assets (net)		1,18,145	1,18,145
		<u>1,18,145</u>	<u>1,18,145</u>
		<u>1,18,145</u>	<u>1,18,145</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	1	1
Other equity	6	(1)	(4,769)
		<u>-</u>	<u>(4,768)</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	7	1,18,145	1,22,913
		<u>1,18,145</u>	<u>1,22,913</u>
		<u>1,18,145</u>	<u>1,18,145</u>

Summary of significant accounting policies

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The accompanying notes form an integral part of these financial statements

As per our report of even date  
for D. Prasanna & Co.  
Chartered Accountants  
Firm Registration No.: 009619S

For and on behalf of the Board of Directors of  
Capco (UK) 1, Limited

Sd/-  
D Prasanna Kumar  
Proprietor  
Membership No: 211367

Sd/-  
Harpreet Arora  
Director

Sd/-  
Omkar Nisal  
Director

Place : Bengaluru  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

**Capco (UK) 1, Limited**  
**Statement of Profit and Loss**  
(Amount in GBP, except share and per share data, unless otherwise specified)

		For the period ended	
	Notes	31 March 2024	31st March 2023
<b>REVENUE</b>			
Other income	8	-	40,228
<b>Total income</b>		<b>-</b>	<b>40,228</b>
<b>EXPENSES</b>			
Finance costs	9	(4,768)	15,029
Other expenses	10	-	49,622
<b>Total expenses</b>		<b>(4,768)</b>	<b>64,651</b>
<b>Profit / (Loss) before tax</b>		<b>4,768</b>	<b>(24,423)</b>
Current tax		-	82,731
Deferred tax		-	-
<b>Tax expense</b>		<b>-</b>	<b>82,731</b>
<b>Profit / (Loss) for the period</b>		<b>4,768</b>	<b>(1,07,154)</b>
Other comprehensive income		-	-
<b>Total comprehensive Income / (loss) for the period</b>		<b>4,768</b>	<b>(1,07,154)</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date  
for D. Prasanna & Co.  
Chartered Accountants  
Firm Registration No.: 009619S

Sd/-  
D Prasanna Kumar  
Proprietor  
Membership No: 211367

Place : Bengaluru  
Date : 24-05-2024

For and on behalf of the Board of Directors of  
Capco (UK) 1, Limited

Sd/-  
Harpreet Arora  
Director

Sd/-  
Omkar Nisal  
Director

Place : London  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

**Capco (UK) 1, Limited**  
**Statement of changes in equity for the period ended 31st March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>(A) Equity share capital</b>				
Equity shares issued, subscribed and fully paid				
Opening	1	1	1	1
Add: issued during the year	-	-	-	-
Closing	1	1	1	1

**(B) Other equity**

	Retained earnings	Total
Balance as at 1st April 2023	(4,769)	(4,769)
Profit for the period	4,768	4,768
Dividend paid	-	-
<b>Balance as at 31 March 2024</b>	<b>(1)</b>	<b>(1)</b>

	Retained earnings	Total
Balance as at 1st April 2022	15,00,658	15,00,658
Loss for the period	(1,07,154)	(1,07,154)
Dividend paid	(13,98,273)	(13,98,273)
<b>Balance as at 31 March 2023</b>	<b>(4,769)</b>	<b>(4,769)</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date  
for D. Prasanna & Co.  
Chartered Accountants  
Firm Registration No.: 009619S

For and on behalf of the Board of Directors of  
Capco (UK) 1, Limited

Sd/-  
D Prasanna Kumar  
Proprietor  
Membership No: 211367

Sd/-  
Harpreet Arora  
Director

Sd/-  
Omkar Nisal  
Director

Place : Bengaluru  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

**Capco (UK) 1, Limited**  
**Statement of cash flows**

(Amount in GBP, except share and per share data, unless otherwise specified)

	For the period ended	
	31 March 2024	31st March 2023
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the period	4,768	(24,423)
Adjustments		
Interest income	-	(40,228)
Interest expense	(4,768)	15,029
<b>Operating Profit/ (loss) before working capital changes</b>	<b>-</b>	<b>(49,622)</b>
<b>Adjustments for working capital changes:</b>		
Trade and other receivables	-	19,44,320
Loans and advances and other assets	-	(1,18,145)
Trade and other payables	(4,768)	(4,22,717)
<b>Net cash generated / (used) from operations</b>	<b>(4,768)</b>	<b>13,53,836</b>
Direct taxes (paid) / refund	-	-
<b>Net cash generated / (used) from operating activities</b>	<b>(4,768)</b>	<b>13,53,836</b>
 <b>B. Cash flows from investing activities:</b>		
Interest received	4,768	40,228
<b>Net cash generated from investing activities</b>	<b>4,768</b>	<b>40,228</b>
 <b>C. Cash flows from financing activities:</b>		
Dividend paid	-	(13,98,273)
Interest paid	-	(15,029)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(14,13,302)</b>
 <b>Net Increase / (decrease) in Cash and Cash equivalents during the period</b>	<b>-</b>	<b>(19,238)</b>
Cash and cash equivalents at the beginning of the period	-	19,238
<b>Cash and cash equivalents at the end of the period (Refer Note 6)</b>	<b>-</b>	<b>-</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date  
for D. Prasanna & Co.  
Chartered Accountants  
Firm Registration No.: 009619S

For and on behalf of the Board of Directors of  
Capco (UK) 1, Limited

Sd/-  
D Prasanna Kumar  
Proprietor  
Membership No: 211367  
Place : Bengaluru  
Date : 24-05-2024

Sd/-  
Harpreet Arora  
Director  
Place : London  
Date : 24-05-2024

Sd/-  
Omkar Nisal  
Director  
Place : London  
Date : 24-05-2024



**Capco (UK) 1, Limited**  
**Notes forming part of Financial Statements for the period ended 31st March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

**1 General Information**

The Capco (UK) 1, Limited is a subsidiary of The Capital Markets Company (UK) Ltd, incorporated and domiciled in United Kingdom. The Company is provider of IT Services. The functional currency of the Company is GBP.

The Capco (UK) 1, Limited was acquired by Wipro Limited on 29th April 2021. The Company's ultimate holding company, Wipro Limited ("Wipro") is incorporated and domiciled in India.

The entity has filed for liquidation on 25th August 2023.

These events or conditions indicate that a material uncertainty exists regarding the Company's ability to continue as going concern.

**2 Material accounting policies**

**2.1 Basis of preparation of financial statements**

**(i) Statement of compliance and basis of preparation**

The special purpose financial statement of The Capco (UK) 1, Limited comprises the balance sheets as at 31 March 2024; the statement of profit and loss, the statement of cash flow, the statement of changes in equity and a summary of significant accounting policies and other explanatory information for the period ended 31 March 2024, 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. The special purpose financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), specified under section 133 of the Act.

**(ii) Basis of measurement**

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

**(iii) Use of estimates and judgement**

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**2.2 Financial instruments**

**Non-derivative financial instruments:**

**Non derivative financial instruments consist of:**

- financial assets ,which includes cash and cash equivalents,trade receivables and eligible current and non current 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 equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

**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.

**Capco (UK) 1, Limited**  
**Notes forming part of Financial Statements for the period ended 31st March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

**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.

**D Other income**

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

**2.3 Foreign currency transactions and translations**

**Functional currency**

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

**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.

**2.4 Taxes**

**Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Capco (UK) 1, Limited**  
**Notes forming part of Financial Statements for the period ended 31st March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

**2.5 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.

**2.6 Equity and share capital**

**(a) Share capital**

The authorized share capital of the Company as of 31 March 2024 is 1 Equity share of GBP 1 each.

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

**(b) Retained earnings**

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

**2.7 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.

**3 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

**3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the period end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

**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 2024

**Capco (UK) 1, Limited**  
**Notes forming part of the Financial Statements for the period ended 31 March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

**5 Share capital**

**Authorised**

1 Equity share of GBP 1 each

	1	1
	1	1

**Issued, subscribed and paid-up**

1 Equity share of GBP 1 each fully paid-up

	1	1
	1	1

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

	Number of shares	Amount
Outstanding at the beginning of the period	1	1
Add: Issued during the period	-	-
Outstanding at the end of the period	1	1

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

Equity Shares: The Company has only one class of equity shares having par value of 1 GBP per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in GBP. 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 2024		31st March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
The Capital Markets Company (UK) Ltd	1	100%	1	100%
1 ordinary share of £1				
	1	100%	1	100%

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

	31 March 2024		31st March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
The Capital Markets Company (UK) Ltd	1	100%	1	100%
	1	100%	1	100%

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

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

**6 Other equity**

	As at 31 March 2024	As at 31 March 2023
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening balance	(4,769)	15,00,658
Add: Net Profit/(Loss) for the current period	4,768	(1,07,154)
Less : Dividend paid	-	(13,98,273)
<b>Closing balance</b>	<b>(1)</b>	<b>(4,769)</b>

**7 Other financial liabilities**

**Current**

Payable to related parties\*

	1,18,145	1,22,913
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\* includes payable to related parties. Refer Note 13

	1,18,145	1,22,913
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Capco (UK) 1, Limited

Notes forming part of the Financial Statements for the period ended 31 March 2024  
(Amount in GBP, except share and per share data, unless otherwise specified)

	31 March 2024	31st March 2023
<b>8 Other income</b>		
Interest income *	-	40,228
* The amount includes related party transaction. Refer Note 13	-	40,228
<b>9 Finance cost</b>		
Interest on loans and advances*	(4,768)	15,029
* The amount includes related party transaction. Refer Note 13	(4,768)	15,029
<b>10 Other expenses</b>		
Bank Charges	-	120
Foreign exchange loss, net	-	49,502
	-	49,622

**11 Earning per share (EPS)**

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

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

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

	31 March 2024	31st March 2023
Profit /(Loss) attributable to equity holders	4,768	(1,07,154)
Less: preference dividend after-tax	-	
Profit/(Loss) attributable to equity holders after preference dividend	4,768	(1,07,154)
Add: Interest on convertible preference shares	-	
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	4,768	(1,07,154)
Weighted average number of equity shares - for basic and diluted EPS	1	1
Earnings per share - Basic and diluted	4,768	(1,07,154)

**12 Current tax**

	31 March 2024	31st March 2023
Current tax	-	82,731
<b>Total income taxes</b>	-	82,731
Profit/ (Loss) before taxation	4,768	(24,423)
Enacted income tax rate	25%	19%
Computed expected tax expenses	1,192	(4,640)
<b>Effect of</b>		
DTA not created on losses		4,640
Prior period impact		82,731
Others	(1,192)	-
Income tax expense	-	82,731

**Capco (UK) 1, Limited**  
**Notes forming part of the Financial Statements for the period ended 31 March 2024**  
(Amount in GBP, except share and per share data, unless otherwise specified)

**13 Related party disclosures**

**a) Parties where control exists:**

<u>Name</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
Wipro Limited	Ultimate Holding company	India
The Capital Markets Company (UK) Ltd	Holding Company	UK
The Capital Markets Company BVBA	Fellow Subsidiaries	Belgium
CAPCO (US) LLC	Fellow Subsidiaries	US

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

Particulars	31 March 2024	31st March 2023
<u>Interest income</u>		
The Capital Markets Company (UK) Ltd	-	40,228
<u>Interest expenses</u>		
The Capital Markets Company BVBA	-	10,027
CAPCO (US) LLC	-	233

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

**i) Balances other than loans :**

<u>Trade Payables</u>		
The Capital Markets Company (UK) Ltd	1,18,145	1,22,913

**Capco (UK) 1, Limited**  
**Notes forming part of the Financial Statements for the period ended 31 March 2024**  
**(Amount in GBP, except share and per share data, unless otherwise specified)**

**14 Fair values of financial assets and financial liabilities**

There are no financial assets and liabilities that have been offset in the financials.

The fair value of cash and cash equivalents, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk.

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

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

**Fair value hierarchy**

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

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particular	As at 31 March 2024			
	Fair value measurements at reporting date			
	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>				
Payable to related parties	1,18,145	-	-	1,18,145
<b>Total</b>	<b>1,18,145</b>	<b>-</b>	<b>-</b>	<b>1,18,145</b>

Particular	As at 31 March 2023			
	Fair value measurements at reporting date			
	Total	Level 1	Level 2	Level 3
Unbilled receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Loans	-	-	-	-
<b>Financial liabilities</b>				
Payable to related parties	1,22,913	-	-	1,22,913
<b>Total</b>	<b>1,22,913</b>	<b>-</b>	<b>-</b>	<b>1,22,913</b>

**Capco (UK) 1, Limited**  
**Notes forming part of the Financial Statements for the period ended 31 March 2024**  
**(Amount in GBP, except share and per share data, unless otherwise specified)**

**15 Financial risk management objectives and policies**

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

**(A) Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**(ii) Foreign currency risk**

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

**(B) Credit risk**

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

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.



**Capco (UK) 1, Limited**  
**Notes forming part of the Financial Statements for the period ended 31 March 2024**  
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**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there. )

The table below summarizes the maturity profile of the Company’s financial liabilities:

<u>31 March 2024</u>	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Other financial liability	-	1,18,145	-	-
	-	1,18,145	-	-

  

<u>31 March 2023</u>	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Other financial liability	-	1,22,913	-	-

16 There are no contingent liabilities as at 31 March 2024.

As per our report of even date  
for D. Prasanna & Co.  
Chartered Accountants  
Firm Registration No.: 009619S

For and on behalf of the Board of Directors of  
Capco (UK) 1, Limited

Sd/-  
D Prasanna Kumar  
Proprietor  
Membership No: 211367

Sd/-  
Harpreet Arora  
Director

Sd/-  
Omkar Nisal  
Director

Place : Bengaluru  
Date : 24-05-2024

Place : London  
Date : 24-05-2024

Place : London  
Date : 24-05-2024