

# Wipro Insurance Solutions LLC

## BALANCE SHEET AS AT MARCH 31, 2016

(Amount in INR except share and per share data, unless otherwise stated)

Particulars	Notes	As at 31st March 2016	As at 31st March 2015
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	22,241,880	22,241,880
Reserves and surplus	4	41,820,453	(13,971,646)
		<b>64,062,333</b>	<b>8,270,234</b>
<b>Current liabilities</b>			
Trade Payables	5	397,455	127,740
Other Current Liabilities	6	28,935,993	49,996
		<b>29,333,448</b>	<b>177,736</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,395,781</b>	<b>8,447,970</b>
<b>B. ASSETS</b>			
<b>Current Assets</b>			
Trade Receivables	7	3,203,926	-
Cash and bank balances	8	82,627,164	8,112,738
Short term loans and advances	9	935,598	335,232
Other Current Assets	10	6,629,093	-
		<b>93,395,781</b>	<b>8,447,970</b>
<b>TOTAL ASSETS</b>		<b>93,395,781</b>	<b>8,447,970</b>
Significant accounting policies	2		

The notes referred above form an integral part of the Balance Sheet

As per our report attached

For D G A & ASSOCIATES  
Chartered Accountants  
FRN 029622N

For and on behalf of the Board of Directors

Sd/-  
**Deepak Gupta**  
Partner  
Membership No: 096274

Sd/-  
**Krishna Nacha**  
Director

Place:  
Date : 31-May-2016

**Wipro Insurance Solutions LLC**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**  
**(Amount in INR except share and per share data, unless otherwise stated)**

Particulars	Notes	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>Revenue</b>			
Revenue from Operations - Sale of Services		109,870,225	-
Other income	11	(55,944)	-
<b>Total Revenue</b>		<b>109,814,281</b>	-
<b>Expenses</b>			
Employee Benefits Expense	12	36,985,248	-
Other expenses	13	18,224,260	5,393,032
<b>Total Expenses</b>		<b>55,209,508</b>	<b>5,393,032</b>
<b>Profit/ (Loss) before taxation</b>		54,604,773	(5,393,032)
Less: Tax Expense		52,281	-
<b>Profit/ (Loss) after taxation</b>		<b>54,552,492</b>	<b>(5,393,032)</b>
<b>Earnings per Share (Refer Note no. 15)</b>			
Significant accounting policies	2		

The Notes referred above form an integral part of the Statement of Profit and Loss

As per our report attached

For D G A & ASSOCIATES  
Chartered Accountants  
FRN 029622N

For and on behalf of the Board of Directors

Sd/-  
**Deepak Gupta**  
Partner  
Membership No: 096274

Sd/-  
**Krishna Nacha**  
Director

Place:  
Date : 31-May-2016

**Wipro Insurance Solutions LLC**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in INR except share and per share data, unless otherwise stated)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>A. Cash flows from operating activities:</b>		
Profit/(Loss) before taxes for the period	54,604,773	(5,393,032)
Adjustments:		
Depreciation	-	-
<b>Working capital changes :</b>		
trade payables	269,715	(2,901,055)
other current liabilities	28,885,997	(4,800,284)
Increase/(decrease) in long term provisions	-	-
trade receivables	(3,203,926)	-
long term loans and advances	-	-
short term loans and advances	(597,368)	(285,236)
other current assets	(6,629,093)	-
<b>Net cash generated from operating Activities</b>	<b>73,330,098</b>	<b>(13,379,607)</b>
Less: Taxes paid	55,279	49,996
<b>Net cash generated from operations</b>	<b>73,274,819</b>	<b>(13,429,603)</b>
<b>B. Cash flows from investing activities:</b>		
Acquisition of fixed assets	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from issuance of shares	-	-
<b>Net cash used in / generated by financing activities</b>	<b>-</b>	<b>-</b>
Net (decrease) / increase in cash and cash equivalents during the period	73,274,819	(13,429,603)
Cash and cash equivalents at the beginning of the period	8,112,738	21,087,762
Effect of foreign exchange translation	1,239,607	454,579
<b>Cash and cash equivalents at the end of the period [Refer Note 8]</b>	<b>82,627,164</b>	<b>8,112,738</b>

As per our report attached

For D G A & ASSOCIATES  
Chartered Accountants  
FRN 029622N

Sd/-  
**Deepak Gupta**  
Partner  
Membership No: 096274

For and on behalf of the Board of Directors

Sd/-  
**Krishna Nacha**  
Director

Place:  
Date : 31-May-2016

# Wipro Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>3. Share capital</b>		
Authorised capital :	22,241,880	22,241,880
	<b>22,241,880</b>	<b>22,241,880</b>
Issued, subscribed and paid-up capital	22,241,880	22,241,880
	<b>22,241,880</b>	<b>22,241,880</b>

Details of Related party Shareholdings				
Name of the Shareholder	As at March 31,2016		As at March 31,2015	
	No of shares	%	No of shares	%
Wipro LLC	*	100	*	100

Details of shareholders having more than 5% of the total number of shares outstanding				
Name of the Shareholder	As at March 31,2016		As at March, 31 2015	
	No of shares	%	No of shares	%
Wipro LLC	*	100	*	0

\* Refer note 15

#### 4. Reserves and surplus

<b>Foreign Currency Translation reserve</b>		
Balance brought forward from previous year	2,231,020	1,776,441
Movement during the year	1,239,607	454,579
	<b>3,470,627</b>	<b>2,231,020</b>
<b>General Reserve</b>		
Balance brought forward from previous year	(16,202,666)	(10,809,634)
Balance brought forward from Statement of Profit & Loss	54,552,492	(5,393,032)
	<b>38,349,826</b>	<b>(16,202,666)</b>
<b>Total</b>	<b>41,820,453</b>	<b>(13,971,646)</b>

# Wipro Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>5. Trade Payables</b>		
Dues to micro and small enterprises (Refer Note 16)	-	-
Others	397,455	127,740
	<b>397,455</b>	<b>127,740</b>
<b>6. Other Current Liabilities</b>		
Advances from customers	9,936	-
Payable to Group companies	28,926,057	49,996
	<b>28,935,993</b>	<b>49,996</b>
<b>7. Trade receivables (Unsecured)</b>		
<i>Trade receivable consist of:</i>		
<i>Over six months from the date they were due for payment</i>		
Considered Good	3,203,926	-
Considered Doubtful	-	-
<b>Other debts</b>		
Considered Good	-	-
Considered Doubtful	-	-
<b>Less : Provision for Doubt ful Debts</b>	-	-
	<b>3,203,926</b>	-
<b>8. Cash and Cash Equivalents</b>		
Balances with Banks- In current Accounts	82,627,164	8,112,738
	<b>82,627,164</b>	<b>8,112,738</b>
<b>9. Short term loans and advances (Unsecured considered good unless otherwise stated)</b>		
Advance income tax	52,994	49,996
Prepaid Expenses	857,764	282,446
Advance to Supplier	24,840	2,790
	<b>935,598</b>	<b>335,232</b>
<b>10. Other Current Assets</b>		
Unbilled Revenue	6,629,093	-
	<b>6,629,093</b>	-

# Wipro Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>11. Other income</b>		
Interest Income	9,881	-
Other Income (ERF)	(65,825)	-
	<b>(55,944)</b>	-
<b>12. Employee Benefit Expense</b>		
Employee compensation	36,985,248	-
	<b>36,985,248</b>	-
<b>13. Other Expenses</b>		
Rent	9,224,973	-
Legal and professional charges	8,347,214	4,892,831
Travel and Conveyance	86,426	-
Auditors remuneration	20,000	20,000
Repairs	28,611	-
Bank Charges	388,766	445,835
Miscellaneous	51,240	34,366
	<b>18,224,260</b>	<b>5,393,032</b>

# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

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### 1. Company overview

**Wipro Insurance Solutions LLC** (the “Company”), organized in the state of Delaware, is a wholly owned subsidiary of Wipro, LLC. The Company was formed to provide end to end administrative functions and services for life and annuity, property and casualty, and healthcare insurance carriers. The Company also intends to be a service provider to various insurers, brokers, carriers and providers of insurance across the United States and a vehicle through which the parent company will operate credit card collection support for its customers in the United States. The functional currency of the Company is USD and the reporting currency for these financial statements is INR. These financial statements have been prepared and audited to attach with the accounts of the Ultimate holding company, to comply with the provisions of Indian Companies Act, 2013.

### 2. Significant Accounting Policies

#### i. Basis of preparation of financial statements

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, GAAP comprises Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 (as amended), Accounting Standards (AS) issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India (to the extent applicable).

#### ii. Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

#### iii. Fixed Asset

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

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

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

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Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

#### iv. Revenue recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services

##### Services:

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

##### A. Time and material contracts

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

##### B. Fixed-price contracts

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

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. *Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.*

##### C. Maintenance Contracts

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

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.



# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

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### Other income:

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

### v. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts is recognized when the expected benefits to be derived from the contract are lower than the unavoidable cost of meeting the future obligations under the contract.

### vi. Leases

Leases of assets, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to statement of profit and loss on a straight line basis over the lease term.

In certain arrangements, the Company recognizes revenue from the sale of products given under finance leases. The Company records gross finance receivables, unearned interest income and the estimated residual value of the leased equipment on consummation of such leases. Unearned interest income represents the excess of the gross finance lease receivable plus the estimated residual value over the sales price of the equipment. The Company recognizes unearned interest income as financing revenue over the lease term using the effective interest method.

### vii. Foreign currency transactions

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.

#### Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

### Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss.

The Company is a foreign subsidiary of Wipro Limited and has been treated as a **non-integral** operating unit for translation. The assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.

### viii. Depreciation and amortization

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of Asset	Estimated useful Life
Computer, Software and IT Equipment	3-4 years
Plant and Machinery	6 years
Leasehold Improvements	Lower of lease term or 6 years
Furniture, fixture and office Equipment	6 years

For the class of assets mentioned above, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets are amortised over the estimated useful life on straight line basis

Fixed assets individually costing Rupees five thousand or less are depreciated at 100% over a period of one year.

### ix. Impairment of assets

#### Financial assets:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognised in the statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognised impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

#### Other than financial assets:

# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

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The Company assesses at each balance sheet date whether there is any indication that a non-financial asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events of an exceptional nature that is not expected to recur and their effects have been reversed by subsequent external events.

x. Taxes

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xi. Cash flow statement

Cash flows are reported using the 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 regular revenue generating, investing and financing activities of the Company are segregated.

xii. Dividend

A final dividend on shares is recorded as a liability on the date of approval by the shareholders. An Interim dividend is recorded as a liability on the date of declaration by the board of directors.

# WIPRO Insurance Solutions LLC

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR except share and per share data, unless otherwise stated)

### 14. Related party transaction

Following are the entities with which company has related party transaction:

Name of the Related party	Relationship with The Company
Wipro LLC	Parent Company
Wipro Ltd	Ultimate Holding Company
Wipro BPO Philippines LTD. INC	Affiliates

The company had the following transactions with related parties

Name of the party	For the year ended	
	31 <sup>st</sup> March 2016	31 March 2015
<b>Wipro Limited</b>		
Salary, rent and other cost	14,932,476	NIL
<b>Wipro BPO Philippines LTD. INC</b>		
Salary, rent and other cost	20,176,130	NIL

Following is the amount Receivable/ payable to related party

Name of the party	For the year ended	
	31 March 2016	31 March 2015
<b>Payables:</b>		
Wipro Limited	8,408,155	49,996
Wipro BPO Philippines LTD. INC	20,451,180	NIL

### 15. Earnings per share

As per local laws of US in case of entities having LLC status, Issue of shares is not required to infuse the capital in the company. Hence in the absence of number of shares issued, EPS working are not applicable.

### 16. Micro, Small and Medium Enterprises, Development Act, 2006

The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Hence, the disclosures under the Act are not applicable to the Company.

### 17. Segment reporting:

The Financials form part of Consolidated Financial Statements of the Ultimate Holding Company "Wipro Limited" in the annual report. The Company neither has more than one business segment nor more than one geographic segment; hence segment reporting is not required to be disclosed.

18. The figures of the previous period have been regrouped / reclassified, where necessary, to confirm current year classification.