

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**OPUS CAPITAL MARKETS CONSULTANTS, LLC**

**MARCH 31, 2018**



# Contents

<b>Particulars</b>	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>2</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheet	3
Statement of Income	4
Statement of Cash Flows	5
Notes to Financial Statements	6
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of expenses	11





Tel: +91 22 3332 1600  
Fax: +91-22-2439 3700  
www.bdo.in

The Ruby, Level 9, North West Wing,  
Senapati Bapat Marg, Dadar (W),  
Mumbai-400 028, INDIA

## Independent Auditors' Report

Board of Directors  
Opus Capital Markets Consultants, LLC

We have audited the accompanying financial statements of Opus Capital Markets Consultants, LLC (the 'Company'), which comprise balance sheet as of March 31, 2018, and the related statement of income and statement of cash flows for the year ended March 31, 2018, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with note 1 (B.a); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Company as of March 31, 2018, and the revenues, expenses and cash flows for the year ended March 31, 2018, on the basis of accounting described in note 1 (B).



### **Basis of accounting**

As discussed in note 1 (B.a), the accompanying financial statements have been prepared for the purpose of consolidation with the financial statements of Wipro Limited, the Ultimate Holding Company on the basis of accounting described in note 1 (B) and are not intended to be in conformity with presentation and disclosure principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Restriction on use**

This report is intended solely for the information and use of the Board of Directors and Management of Opus Capital Markets Consultants, LLC and Wipro Limited, the Ultimate Holding Company for the purpose of meeting the requirements of consolidation of the attached financial statements with the financial statements of Wipro Limited, the Ultimate Holding Company and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose. 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information shown on page 11 is presented for the purpose of additional analysis and is not a required part of the financial statements of the Company. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Yours faithfully,

*BDO India LLP*



BDO India LLP  
Mumbai, India  
June 21, 2018

**OPUS CAPITAL MARKETS CONSULTING, LLC**  
**BALANCE SHEET**  
**AS ON 31-MAR-2018**

<b>Assets</b>	<b>Amount in USD 2018</b>
<b>Current Assets</b>	
Cash & cash equivalents	7,385,427
Accounts receivable	5,007,794
Less: allowance for doubtful accounts of USD 225,827	(225,827)
Unbilled receivable	1,041,636
Accounts receivable affiliates	-
Loan Receivable affiliates	3,000,000
Interest receivable from affiliates	163,563
Prepaid & Other current asset	255,792
	<b>16,854,212</b>
 Property and Equipment, Net	 327,076
 Other Assets	
Security Deposit	55,756
	<b>55,756</b>
 <b>Total Asset</b>	 <b>17,237,044</b>
<b>Liabilities and shareholder's equity</b>	
<b>Current Liabilities</b>	
Accounts Payable & accrued expense	2,928,881
Due to affiliates	465,562
Employee Benefits Payable	130,402
Deferred Revenue	142,229
Income tax Payable	567,438
Deferred income tax payable	5,317,920
	<b>9,552,432</b>
 Members Equity	 7,684,612
<b>Total Liability</b>	<b>17,237,044</b>



**OPUS CAPITAL MARKETS CONSULTANTS, LLC**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	<b>Amount in USD 2018</b>
<b>Operating Revenues</b>	
Service Revenue	24,293,100
Reimbursed Cost	3,248,278
Service revenue - Intercompany	23,171
<b>Total Revenue</b>	<b>27,564,549</b>
<b>Cost of Revenue (Schedule)</b>	<b>27,469,072</b>
Gross Profit	95,477
Selling General and Administrative Expenses	3,490,977
<b>Income/(Loss) from Operation</b>	<b>(3,395,500)</b>
Other Income	44,286
Interest income - intercompany	88,120
Interest Expense	-
	<b>132,406</b>
Income before Income Tax	(3,263,094)
<b>Income/ (Loss) before Income tax</b>	<b>(3,263,094)</b>
<b>Federal Income tax provision</b>	
Federal income tax - Deferred	933,032
	<b>933,032</b>
<b>Net Income</b>	<b>(4,196,126)</b>
Member's Equity - Beginning of Period	11,881,195
Less : Dividend	-
Closing Members Equity	<b>7,685,069</b>



**OPUS CAPITAL MARKETS CONSULTANTS, LLC  
STATEMENT OF CASH FLOW  
FOR THE YEARS ENDED MARCH 31, 2018**

	<b>Amount in USD 2018</b>
Net income	<b>(4,196,126)</b>
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	367,851
(Increase) decrease in	
Accounts receivable	3,963,118
Unbilled receivable	953,017
Accounts receivable affiliates	108,531
Interest receivable affiliates	(69,712)
Prepaid expenses and other current assets	20,354
<b><u>(Increase) decrease in</u></b>	
Accounts payable and accrued expenses	113,912
Due to affiliates	(1,872,627)
Employee benefits payable	4,247
Deferred revenue	(2,403,750)
Income tax payable	-
Deferred income tax payable	933,035
Net Cash provided by operating activities	(2,078,150)
<b><u>Cash flows from investing activities:</u></b>	
Loan to affiliates	-
Repayments from Affiliates	-
Purchase of property and equipment	(6,602)
Net Cash used for investing activities	(6,602)
<b><u>Cash flows from financing activities:</u></b>	
principal payments on capital lease	-
Net Cash used for financing activities	-
Increase in cash and cash equivalents	<b>(2,084,752)</b>
<b><u>Cash and cash equivalents</u></b>	
Balance - Beginning of period	9,470,179
Balance - end of period	7,385,427
Supplemental disclosures of cash flow information	
Cash paid for interest	-
Cash Paid for federal and state income taxes	-



## Notes to Financial Statements

### NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. DESCRIPTION OF BUSINESS

Opus Capital Markets Consultants, LLC (“Opus”), a limited liability company, is a wholly owned subsidiary of Wipro Gallagher Solution, Inc (“WGS”), a Florida C Corporation. WGS is owned by Wipro Inc., a wholly owned subsidiary of Wipro Limited (Ultimate Holding Company) a company traded on the New York Stock Exchange.

Opus performs services on different types of loan products including credit and compliance reviews, reverse mortgages, auto loans, student loans, forensic fraud reviews, international due diligence, representation and warranty review, data integrity reviews, HMDA scrubs, professional staffing reviews, collateral reviews, collateral reviews, and non-performing assets reviews. Customers include banks, government institutions, private institutions located primarily in the United States of America.

#### B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

##### a. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting policies (which are based on Generally Accepted Accounting Principles in United States of America) described in these notes to reflect the financial position, revenues and expenses and cash flows of the Company.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in the United States Dollars (“\$”), which is the functional and reporting currency of the Company.

##### b. ACCOUNTING PRONOUNCEMENTS

There were no recent accounting pronouncements adopted or proposed that management believes will have a material impact on the Company’s financial statements.

##### c. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

##### d. CONCENTRATION OF CREDIT RISK

The Company regularly maintains cash balances in accounts that from time to time may exceed Federal Deposit Insurance Corporation limits. The Company periodically evaluates the relative credit standing of the financial institution with which they do the business.





## Notes to Financial Statements

### e. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are uncollateralized customer obligations due under normal trade terms, and include amounts earned and unearned and uncollected whether billed or unbilled. Management assesses each customer's accounts receivable based on experience and future economic conditions to determine its best estimate of the portion that will not be collected.

### f. PROPERLY AND EQUIPMENT

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation for equipment, furniture and fixtures and vehicles is recorded on an accelerated basis converting to a straight line basis over their estimated useful lives. Amortization of software is recorded on a straight line basis over its estimated useful life.

Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. When property and equipment is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operation. Property and equipment is reviewed for impairment when events or changes in circumstances indicate that they carrying amount of the asset may not be recoverable. There were no impairment charges for the year ended March 31, 2018.

The Company uses the following estimated useful lives:

Office equipment	5 Years
Furniture and Fixture	5 years
Leasehold improvements	as per lease term
Computer and software	3 years
Vehicles	4 years

Leasehold improvements are amortized as per the lease term.

### g. REVENUE RECOGNITION

The Company recognizes revenue on a proportional performance method of accounting based on the specifics of each customer contract. Opus uses historical costs necessary to complete each stage of the contracts to determine the percent of performance that has been achieved for each stage of the contract. Revenue is recognized as these costs are incurred at the completion of each stage of the contracts.

All revenue earned that has not yet been billed is categorized as unbilled receivables. These balances are stated at negotiated billing rates for professional time incurred and through March 31, 2018 were \$1,041,636. Billing in excess of revenue recognized are classified as deferred revenue on the accompanying balance sheet.

### h. INCOME TAXES

For federal income tax reporting purposes, the Company will be consolidated with its Parent; Wipro Gallagher Solution, Inc. For financial statement, purposes no provision have been established due to loss in current FY, towards deferred federal income tax expenses of NIL.



## Notes to Financial Statements

### h. INCOME TAXES (Continued)

GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other tax authorities. Management has analyzed the tax positions taken by the Company, and has concluded that as of March 31, 2018 there are no uncertain positions taken or expected to be taken that would require recognition of liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by the Internal Revenue Service or other tax authorities, generally for three years after the tax returns are filled, however, there are currently no audits in progress for any tax periods.

### i. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their values due to their short-term maturities.

### j. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. Management believes that these estimates are adequate. Actual results could differ from those estimates.

### k. COMPREHENSIVE INCOME

ASC 220 (formerly SFAS No. 130) requires "a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income." Comprehensive income is comprised of two components, net income and other comprehensive income. For the years ended March 31, 2018, there were no items that qualify as other comprehensive income.

### NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31, 2018:

Computer and Software	3,297,092
Leasehold improvements	346,784
Property and equipment	<u>590,712</u>
	4,234,588
Less: Accumulated depreciation and amortization	<u>3,907,512</u>
	<u>327,076</u>

Depreciation and amortization expense totaled \$367,851 for the year ended March 31, 2018.

### NOTE 3 – EMPLOYEE BENEFIT PLAN

The Company allows its employees to participate in Wipro's defined contribution profit sharing plan (the "Plan"), as defined. Employer contributions to the Plan are made at the sole discretion of the Company. There were no company contributions to the plan for the year ended March 31, 2018.



## Notes to Financial Statements

### NOTE 4 – CAPITAL LEASE OBLIGATIONS

The Company does not have the capital lease were recorded at the lower of the present value of minimum lease payments or the fair value of the assets.

### NOTE 5 – LEASING ARRANGEMENTS

The Company has a non-cancellable operating lease for office space in Lincolnshire, Illinois which expires on September 30, 2019 and requires monthly base rent payments ranging from \$29,749 to \$32,098. The Company is also responsible for certain expenses. Rent expense for this location for year ended March 31, 2018 was \$333,143.

The Company has a non-cancellable operating lease for office space in Brookfield, Wisconsin which expires on February 29, 2020 and requires monthly base rent payments ranging from \$9,552 to \$9,838. The Company is also responsible for certain expenses. Rent expense for this location for year ended March 31, 2018 was \$104,788.

The Company has a non-cancellable operating lease for office space in Fort Lauderdale, Florida which already expired on February 28, 2018 and requires monthly base rent payments ranging from \$11,829 to \$12,186. The Company is also responsible for certain expenses. Rent expense for this location for year ended March 31, 2018 was \$126,567.

The Company has a non-cancellable operating lease for office space in Jacksonville, Florida which expires on May 31, 2018 and requires monthly base rent payments approximately \$7,064 to \$7,248. The Company is also responsible for certain expenses. Rent expense for this location for year ended March 31, 2018 was \$84,777.

The Company has signed new non-cancellable operating lease for office space at Tampa- Lincolnshire, IL which will began from 15-April-2018 expires on July14, 2021 and requires monthly base rent payments approximately \$112,365 to \$115,190. The Company is also responsible for certain expenses. Rent expense for this location for year ended March 31, 2018 was NIL.

Approximate future minimum lease payments for all non-cancellable commitments are as follows as of March 31, 2018.

Year ending March 31,	
2019	1,464,717
2020	1,685,959
2021	1,415,505
2022	422,138
2022 onwards	-
	<u>4,988,319</u>



## Notes to Financial Statements

### NOTE 6 – RELATED PARTY TRANSACTIONS

Throughout the year, the Company has outsourced certain services to other Wipro companies in India. In addition, some employee benefits and insurance is either paid for by Wipro or included in Wipro's policies and charged back to Opus. As of March 31, 2018 Opus has intercompany payables to other Wipro companies in the amount of \$635,935.

During the earlier year, the Company made Loan to other Wipro company as follows wherein there were outstanding balance as at April 1, 2017:

	<u>Healthplan Services</u>
Date of Loan	05/26/2016
Amount of Loan	\$3,000,000
Amount Repaid	-
Balance Due as at March 31, 2018	\$3,000,000
Interest Earned	\$ 163,563
Interest Collected	-
Balance Due as at March 31, 2018	\$3,163,563

### NOTE 7 –LEGAL MATTERS

From time to time, the Company may be involved in various litigation matters in the ordinary course of business. The Company is currently unaware of any litigation, pending or threatened, against them.

### NOTE 8 – LINE OF CREDIT

The Company has a revolving line of credit agreement with BMO Harris Bank that allows Opus to borrow a maximum of \$5,000,000 based upon defined percentages and amounts of accounts receivable. The line of credit expires September 1, 2017. Interest is payable monthly based on the one month LIBOR rate plus 1.45%. The interest rate on the credit line was 1.884% at March 31, 2016. The loan is collateralized by substantially all assets of Opus and requires Opus to maintain compliance with certain financial and non-financial covenants, as defined in the agreement. Management believes that Opus complied with all covenants as of and for the year ended March 31, 2018; however, since the provisions for covenants may be subject to interpretation, such provisions may be interpreted differently by the bank. As of March 31, 2018 the outstanding balance on the line of credit was nil.

### NOTE 9 – COMMITMENTS AND CONTINGENCIES

Eleven (16) individual customers accounted for 76% of the Company's total revenue for the year ended March 31, 2018.

The Company performs ongoing credit evaluations of its customers, generally does not require collateral, and provides allowances for estimated uncollectible accounts, as deemed necessary.

The Company has agreements with certain key employees whereby they may earn an annual bonus based on the operating result of the Company.

### NOTE 10 – SUBSEQUENT EVENTS

Management of the Company has evaluated subsequent events through June 20, 2018, the date the financial statements were available to be issued.



**OPUS CAPITAL MARKET CONSULTANTS, LLC**  
**SCHEDULE OF EXPENSES FOR THE YEAR ENDED MARCH 31, 2018**

	<b>Amount in USD 2018</b>
<b>Cost of Revenue</b>	
Payroll and subcontracting Costs	21,892,569
Job expense	3,318,692
Rent	658,704
Repairs & maintenance	199,138
Depreciation	367,851
Software technology	582,423
Communications	385,798
Provision for bad debts	63,897
	<u>27,469,072</u>
 <b>Selling, General and Administrative Expenses:</b>	
Payroll costs	2,863,052
Corporate overhead	-
Travel and other direct costs	191,897
Professional fees	124,438
Meetings and conferences	156,631
Office expenses	85,126
Insurance	23,649
Recruiting	35,349
Miscellaneous	3,345
Bank Charges	7,490
	<u>3,490,977</u>

