

**WIPRO INSURANCE SOLUTIONS LLC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**ISSUED BY  
RAVI VENKATARAMAN, CPA LLC**

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# WIPRO INSURANCE SOLUTIONS LLC

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Board of Directors  
Wipro Insurance Solutions LLC

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Financial Statements:**

We have audited the accompanying Balance Sheet of Wipro Insurance Solutions LLC as of March 31, 2017 and 2016 and the related statements of operations, changes in member's equity and statement of cash flows for the year then ended.

**Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 financial position of Wipro Insurance Solutions LLC as of March 31, 2017 and 2016 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

SJT

Ravi Venkataraman, CPA  
Princeton, NJ  
May 22, 2017

**WIPRO INSURANCE SOLUTIONS LLC  
BALANCE SHEET  
AS OF MARCH 31**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash in bank	\$938,502	\$1,247,344
Account Receivable	775,679	148,440
Prepaid expenses	30,670	12,949
Advance tax	800	800
Advance to Suppliers	-	375
<b>Total Assets</b>	<b><u>1,745,651</u></b>	<b><u>1,409,908</u></b>
<b><u>LIABILITIES AND MEMBERS EQUITY</u></b>		
<b><u>Liabilities:</u></b>		
Accounts payable and accrued expenses	142,483	442,669
Due to related party	-	-
Advance from Customers	-	150
<b>Total Liabilities</b>	<b><u>142,483</u></b>	<b><u>442,819</u></b>
<b>Member's Equity</b>		
Members equity	1,603,168	967,089
<b>Total Liabilities and Member's Equity</b>	<b><u>\$1,745,651</u></b>	<b><u>\$1,409,908</u></b>

*See Independent Auditor's Report and Notes to the Financial Statements*

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**WIPRO INSURANCE SOLUTIONS LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31**

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Services Export	\$ 1,394,919	\$ 1,680,211
Investment Income	240	151
	<u>1,395,159</u>	<u>1,680,362</u>
<b>Operating Expenses</b>		
Salaries expense	405,108	565,942
Licensing Fees	-	-
Professional fees	224,346	128,034
Bank fees	4,786	5,949
Office expense	36,359	2,287
Rent	88,181	141,159
Utilities	-	1,179
Income Tax-Domestic	-	800
Rates & Taxes	300	257
<b>Total Operating Expenses</b>	<u>759,080</u>	<u>845,607</u>
<b>Net Profit/(Loss) from Operations</b>	<u>636,079</u>	<u>834,755</u>

*See Independent Auditor's Report and Notes to the Financial Statements*

**WIPRO INSURANCE SOLUTIONS LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
FOR THE YEAR ENDED MARCH 31,**

	<u>2017</u>	<u>2016</u>
Opening Balance Member's Equity- April 1, 2016	\$967,089	\$132,334
Net Profit/(Loss) from Operations	636,079	834,755
Ending Balance Member's Equity-March 31, 2017	<u>\$1,603,168</u>	<u>\$967,089</u>

*See Independent Auditor's Report and Notes to the Financial Statements*





**WIPRO INSURANCE SOLUTIONS LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31,**

	2017	2016
<b>Cash Flow from Operating activities:</b>		
Net Profit/(Loss) From Operations	\$636,079	\$834,755
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Accounts Receivable	(627,239)	(148,440)
Prepaid expenses	(17,721)	(8,429)
Advance taxes	-	-
Advance to Suppliers	375	(375)
Accounts payable and accrued expenses	(300,186)	440,669
Due to related party	-	(800)
Advance from Customers	(150)	150
Net Cash Used in Operating Activities	(\$308,842)	\$1,117,530
<b>Cash Flow from Financing Activities :</b>	-	-
Net Decrease in Cash in Bank	(308,842)	1,117,530
Cash in Bank-Beginning	\$1,247,344	\$129,814
Cash in Bank-Ending	\$938,502	\$1,247,344
 Supplementary information:		
Income taxes paid	\$ -	\$ 800
Interest paid	\$ -	\$ -

***See Independent Auditor's Report and Notes to the Financial Statements***

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**WIPRO INSURANCE SOLUTIONS LLC  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2017**

**Note 1 – Nature of Operations**

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 Company is in the process of applying for collection and third party administration licenses in various states of the United States of America and to date holds collection licenses in 44 states, 4 cities and District of Columbia, and third party administration licenses in 35 states.

**Note 2 – Summary of Significant Accounting Policies**

**Estimates**

The preparation of the Company’s 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 financial statements and related disclosures. Management believes that the estimates utilized in the preparation of these financial statements are prudent and reasonable. Actual results could differ from those estimates.

**Cash in Bank**

Cash is held in bank deposit accounts which, at times, may exceed federally insured limits.

**Income Taxes**

The Company is a disregarded entity for income tax purposes, as such the parent company will report the activity in its income tax return.

***See Independent Auditor’s Report***

**WIPRO INSURANCE SOLUTIONS LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2017**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition**

The Company derives revenue primarily from 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’.*

***See Independent Auditor’s Report***



**WIPRO INSURANCE SOLUTIONS LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2017**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition (continued)**

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.

D. Others

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

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

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term.

Contract expenses are recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

**Other income**

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

*See Independent Auditor's Report*

**WIPRO INSURANCE SOLUTIONS LLC  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2017**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Subsequent Events**

Management has evaluated subsequent events and transactions for potential recognition or disclosure through May 22, 2017 the date that the financial statements were available to be issued.

**Note 3 – Related Party Transaction**

The details of related party transactions for the year ended March 31, 2017 are as follows:

<u>Name of the Related Party</u>	<u>Nature of Transaction</u>	<u>Amount</u>
Wipro Limited	Purchase of Services	\$ 522,716
Wipro BPO Philippines Ltd	Purchase of Services	83,149

The details of payables to the related party as of March 31, 2017 are as follows:

<u>Name of the Related Party</u>	<u>Amount</u>
Wipro Limited	\$ 124,277

*See Independent Auditor's Report*