Independent Auditor's Report

To the Board of Directors of Healthplan Services Inc.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Healthplan Services Inc.** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other matter

8. The comparative financial information for the year ended 31 March 2016 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued financial statement for the year ended 31 March 2016 prepared in accordance with Accounting Standards issued by the ICAI which was audited by the predecessor auditor whose report dated 31 May 2016 expressed unmodified opinion on that financial statement and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter

9. This report is intended solely for the information of the Company's and its ultimate holding company's board of directors and members as a body and is not intended to be and should not be used by anyone other than specified parties. 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 and members as a body, for our audit work, for this report, or for the opinions we have formed.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Sanjay Banthia**
Partner
Membership No.: 061068

Place: Bengaluru

Date: 2 June 2017

HEALTHPLAN SERVICES, INC.
Balance Sheet as at 31 March 2017

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

	Notes	As at 31 March 2017	As at 31 March 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,641,180,540	2,602,873,212
Capital work-in-progress		-	15,470,523
Financial assets			
Other financial assets	5	84,211,253	-
Other non-current assets	6	99,104,989	29,636,564
		2,824,496,782	**2,647,980,299**
Current assets			
Financial assets			
Trade receivables	4	1,269,163,700	2,011,266,149
Cash and cash equivalents	7	267,982,901	549,197,918
Unbilled revenues		755,022,441	256,423,990
Other financial assets	5	84,176,111	3,103,083
Current tax assets		485,035,782	-
Other current assets	6	556,095,026	614,146,342
		3,417,475,961	**3,434,137,482**
		6,241,972,743	**6,082,117,781**
EQUITY			
Share capital	8	34,209	34,209
Other equity	9	(4,062,698,408)	(3,776,083,505)
		(4,062,664,199)	**(3,776,049,296)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10	190,424,151	373,518,604
Deferred tax liabilities		141,224,918	357,903,796
Non-current tax liability		119,645,521	-
Other non-current liabilities	12	-	58,027,834
		451,294,590	**789,450,234**
Current liabilities			
Financial liabilities			
Borrowings	10	1,804,798,888	-
Trade payables	13	6,750,840,710	7,985,113,767
Other financial liabilities	11	1,297,702,754	1,011,067,538
Other current liabilities	12	-	72,535,538
		9,853,342,352	**9,068,716,843**
		6,241,972,743	**6,082,117,781**
Summary of significant accounting policies	2		

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

For and on behalf of the Board of Directors of Healthplan Services, Inc.

Sd/-
N S Bala
Director

Place:
Date: 2 June 2017

Sd/-
Ashish Chawla
Director

Place:
Date: 2 June 2017

HEALTHPLAN SERVICES, INC.
Statement of Profit and Loss for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations			
Revenue from operations	**14**	16,311,381,068	1,398,964,133
		16,311,381,068	**1,398,964,133**
Expenses			
Employee benefits expense	**15**	7,788,040,607	568,668,817
Finance costs	**16**	63,080,011	5,051,929
Depreciation and amortisation expense	**3**	1,076,821,159	92,709,827
Other expenses	**17**	8,021,050,068	780,840,098
		16,948,991,845	**1,447,270,671**
Profit before tax		**(637,610,777)**	**(48,306,537)**
Tax expense			
Current tax		(377,867,485)	-
Deferred tax		168,794,413	(18,679,497)
Tax expense		**(209,073,072)**	**(18,679,497)**
Profit for the period		**(428,537,705)**	**(29,627,040)**
<u>Other Comprehensive Income</u>			
Exchange difference on foreign currency translation		141,922,802	144,957,330
Total Other Comprehensive Income for the period, net of tax		**141,922,802**	**144,957,330**
Total comprehensive income for the period		**(286,614,904)**	**115,330,290**
Earnings per equity share			
(Equity shares of par value USD 10 each)			
Basic		(857,075)	(59,254)
Diluted		(857,075)	(59,254)
No of shares			
Basic		500	500
Diluted		500	500
Summary of significant accounting policies	**2**		

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

For and on behalf of the Board of Directors of Healthplan Services, Inc.

Sd/-
N S Bala
Director

Place:
Date: 2 June 2017

Sd/-
Ashish Chawla
Director

Place:
Date: 2 June 2017

HEALTHPLAN SERVICES, INC.
Statement of Cash Flows for the year ended 31 March 2017
(Amount in ₹ except share and per share data, unless otherwise stated)

		Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities:			
Profit for the year		**(428,537,705)**	**(48,306,536)**
Depreciation and amortization		1,076,821,159	92,709,827
Income tax expense		(209,073,072)	
Dividend and interest (income)/expenses, net		63,080,011	5,051,929
Operating profit before working capital changes		**502,290,393**	**49,455,220**
Trade receivables		769,454,693	369,157,839
Unbilled revenue		(493,188,744)	
Other assets		(355,410,344)	319,322,307
Trade payables, other liabilities and provisions		(1,142,603,775)	(25,395,871)
Net cash generated from operations		**(719,457,776)**	**712,539,495**
Income taxes paid, net		(74,357,421)	**-**
Net cash generated from operating activities	**(A)**	**(793,815,198)**	**712,539,495**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(962,939,129)	(76,493,688)
Net cash used in investing activities	**(B)**	**(962,939,129)**	**(76,493,688)**
Cash flows from financing activities:			
Repayment of loans and borrowings		(1,125,088,557)	(267,059,776)
Proceeds from loans and borrowings		2,621,329,748	**-**
Interest paid on loans and borrowings		(26,477,286)	**-**
Net cash used in financing activities	**(C)**	**1,469,763,905**	**(267,059,776)**
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)		**(286,990,422)**	**368,986,031**
Effect of exchange rate changes on cash and cash equivalents		5,775,404	133,349,779
Cash and cash equivalents at the beginning of the year		549,197,918	46,862,108
Cash and cash equivalents at the end of the year		**267,982,901**	**549,197,918**
Components of cash and cash equivalents:			
Balances with banks			
In current accounts		267,927,783	549,129,350
Cash in Hand		55,118	68,568
		267,982,901	**549,197,918**
Summary of significant accounting policies	**2**		

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

For and on behalf of the Board of Directors of Healthplan Services, Inc.

Sd/-
N S Bala
Director

Place:
Date: 2 June 2017

Sd/-
Ashish Chawla
Director

Place:
Date: 2 June 2017

HEALTHPLAN SERVICES, INC.
Statement of Changes in Equity as on 31 March 2017
(Amount in ₹ except share and per share data, unless otherwise stated)

Equity share capital

Balance as at 01 April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016
34,209	-	**34,209**

Balance as at 01 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
34,209	-	**34,209**

Other equity

Particulars	Share Premium	Retained earnings	Foreign currency translation reserve	Total
Balance as at 01 April 2015	**5,341,432,084**	**(9,326,555,630)**	**-**	(3,985,123,546)
Issue of share capital	-	(29,627,039)	-	(29,627,039)
Loss for the period	-		-	-
Exchange difference on foreign currency translation	-	-	144,957,330	144,957,330
Working Capital Adjustment		93,709,750	-	93,709,750
Balance as at 31 March 2016	**5,341,432,084**	**(9,262,472,919)**	**144,957,330**	**(3,776,083,505)**
Loss for the period	-	(428,537,705)	-	(428,537,705)
Exchange difference on foreign currency translation	-	-	141,922,802	141,922,802
Balance as at 31 March 2017	**5,341,432,084**	**(9,691,010,624)**	**286,880,132**	**(4,062,698,408)**

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors of Healthplan Services, Inc.

Sd/-
N S Bala
Director

Place:
Date: 2 June 2017

Sd/-
Ashish Chawla
Director

Place:
Date: 2 June 2017

HEALTHPLAN SERVICES, INC.
Summary of significant accounting policies and other explanatory information

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

3 Property, plant and equipment

Particulars	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross block						
Balance as at 01 April 2015	-	-	-	-	-	-
Additions during the year	90,773,150	2,604,886,224	80,627,182	1,392,927	4,144,365	2,781,823,848
Disposals during the year	-	-	-	-	-	-
Translation adjustment	(2,885,689)	(79,584,461)	(2,536,568)	(44,281)	(131,750)	(85,182,749)
Balance as at 31 March 2016	**87,887,461**	**2,525,301,763**	**78,090,614**	**1,348,646**	**4,012,615**	**2,696,641,099**
Additions during the year	29,614,163	1,125,891,778	13,826,623	1,491,628	2,399,623	1,173,223,815
Disposals during the year	-	-	-	-	-	-
Translation adjustment	(2,832,001)	(90,442,548)	(2,104,013)	(77,706)	(163,889)	(95,620,157)
Balance as at 31 March 2017	**114,669,623**	**3,560,750,993**	**89,813,224**	**2,762,568**	**6,248,349**	**3,774,244,757**
Accumulated depreciation						
Balance as at 01 April 2015	-	-	-	-	-	-
Charge for the year	1433197	89,974,588	1,188,769	41,324	71,949	92,709,827
Disposals/Adjustment	-	-	-	-	-	-
Translation adjustment	19538	1,020,773	16,206	563	980	1,058,060
Balance as at 31 March 2016	**1,452,735**	**90,995,361**	**1,204,975**	**41,887**	**72,929**	**93,767,887**
Charge for the year	20,388,173	1,038,821,777	15,772,347	707,727	1,131,136	1,076,821,160
Disposals/Adjustment	-	-	-	-	-	-
Translation adjustment	(703,870)	(36,211,588)	(546,226)	(24,253)	(38,893)	(37,524,830)
Balance as at 31 March 2017	**21,137,038**	**1,093,605,550**	**16,431,096**	**725,361**	**1,165,172**	**1,133,064,217**
Net block						
Balance as at 01 April 2015	-	-	-	-	-	-
Balance as at 31 March 2016	**86,434,726**	**2,434,306,402**	**76,885,639**	**1,306,759**	**3,939,686**	**2,602,873,212**
Balance as at 31 March 2017	**93,532,585**	**2,467,145,443**	**73,382,128**	**2,037,207**	**5,083,177**	**2,641,180,540**

HEALTHPLAN SERVICES, INC.
Summary of significant accounting policies and other explanatory information
(Amount in ₹ except share and per share data, unless otherwise stated)

1 Background

Healthplan Services Inc. is a subsidiary of Healthplan Holding Inc., incorporated and domiciled in USA. The Company is provider of IT Services, including Business Process Services (BPS) services, globally and IT Products. The functional currency of the Company is USD and the reporting currency for these financial statements is INR.
Healthplan Services Inc. has been acquired by Wipro IT Service Inc effective 29th Feb 2016. Year ended Mar'16 represent period beginning March 01, 2016 to March 31, 2016

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the periods presented.

These financial statements have been prepared on a historical cost convention and on accrual basis. Accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared to append with the financial statements of the ultimate holding company, to comply with the provisions of Section 137 (1) of the Companies Act, 2013 ("the Act") in India.

b) Use of estimates and judgment

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.

c) Foreign currency

Functional currency

The functional currency of the Company is the US Dollars. These financial statements are presented in Indian Rupees.

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.

Translation

The functional currency of the Company is USD and the reporting currency for these financial statements is INR. The translation of financial statements from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the Balance sheet date and for revenue, expenses and cash flow items using a monthly average exchange rate for the respective periods and the resulted differences is presented as 'foreign currency translation reserve' included in 'Other equity' and 'Effect of exchange rate changes on cash and cash equivalents' included in 'cash flow statement', respectively.

d) Non-derivative financial instruments

Non derivative financial instruments consist of:

(i) Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;

(ii) Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized 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:

(i) Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

(ii) 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, unbilled revenues, cash and cash equivalents and other assets.

(iii) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized 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.

e) Share capital

Share capital and share premium

The authorized share capital of the Company as of 31 March 2017, $ 500 divided into 500 equity shares of $1 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

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

Retained earnings

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

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

Other reserves

Changes in the fair value of financial assets measured at FVTOCI, other than impairment loss, is recognized in other comprehensive income (net of taxes), and presented within equity in other reserves.

Dividend

A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

f) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Computer Software	6 years
Computer including telecom equipment and software (included under plant and machinery)	3 – 5 years
Furniture and fixtures	5 – 10 years

Category	Useful life
Buildings	40 years
Plant and machinery	10 years
Computer equipment and software	2 years
Furniture, fixtures and equipment	5 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment 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.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of fixed assets, outstanding at each balance sheet date are shown as capital advances under the head of Other non-current assets.

g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Arrangements where the Company is the lessee

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the 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. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

Arrangements where the Company is the lessor

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

h) Impairment

Non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell (FVLCTS) and its value-in-use (VIU). If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

i) Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

j) Provisions and contingencies

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

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.

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

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

k) Revenue

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

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 for recognizing revenues and costs depends on the nature of the services rendered

A. Time and materials contracts

Revenues and costs relating to time and materials 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.

Products:

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

l) Finance expenses

Finance expenses comprise interest cost on borrowings, impairment losses recognized on financial assets, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

m) Finance and other income

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments at FVTOCI. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

n) Income tax

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

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

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

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

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

o) 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.

p) Investment in Subsidiaries

Investment in subsidiaries are measured at cost less imapirment.

q) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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HEALTHPLAN SERVICES, INC.
Summary of significant accounting policies and other explanatory information
(Amount in ₹ except share and per share data, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
4 Trade receivable		
Current		
Unsecured:		
Considered good	1,269,163,700	2,011,266,149
Considered doubtful	58,123,484	-
	1,327,287,184	2,011,266,149
Less: Provision for doubtful receivables	(58,123,484)	-
	1,269,163,700	**2,011,266,149**

	As at 31 March 2017	As at 31 March 2016
5 Other financial assets		
Non-current		
Others	84,211,253	-
	84,211,253	**-**
Current		
Employee travel & other advances	-	1,083,515
Others	79,554,673	-
Security deposits	4,621,438	2,019,568
	84,176,111	**3,103,083**

	As at 31 March 2017	As at 31 March 2016
6 Other assets		
Non-current		
Prepaid expenses	99,104,989	29,636,564
	99,104,989	**29,636,564**
Current		
Others	53,814,665	-
Employee travel & other advances	-	1,394,181
Prepaid expenses	502,280,361	612,752,161
	556,095,026	**614,146,342**

	As at 31 March 2017	As at 31 March 2016
7 Cash and cash equivalent		
Balances with banks		
In current accounts	267,927,783	549,129,350
Cash in Hand	55,118	68,568
	267,982,901	**549,197,918**

Cash and cash equivalents consists of the following for the purpose of the cash flow statement:
Cash and cash equivalents
Bank overdrafts

	As at 31 March 2017	As at 31 March 2016
8 Share capital		
(i) The details of share capital are given below:-		
Authorised capital		
500 (2016: 500) equity shares [Par value of of USD 1 per share]	34,209	34,209
	34,209	34,209

HEALTHPLAN SERVICES, INC.
Summary of significant accounting policies and other explanatory information

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

Issued, subscribed and fully paid-up capital		
500 (2016: 500) equity shares [Par value of of USD 1 per share]	34,209	34,209
	34,209	**34,209**

a) Reconciliation of number of shares as at 31 March 2017		
Number of common stock outstanding as at beginning of the year	500	500
Number of common stock outstanding as at the end of the year	**500**	**500**

b) Terms and Rights

The Company has only one class of Equity shares having a par value of USD 10 each. Each shareholders of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholder will be entitled to receive the remaining assets of the Company after distribution of preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

c) Details of share holding pattern by related parties		
Name of shareholders		
HPH Holding Corp.	100%	100%
	100%	**100%**

	As at 31 March 2017	As at 31 March 2016
10 Borrowings		
Non Current		
Unsecured:		
Term loan		
Others	190,424,151	373,518,604
	190,424,151	**373,518,604**
Current		
Unsecured:		
Loan repayable on demand	324,225,000	-
Loan from Related Parties	1,480,573,888	-
	1,804,798,888	**-**

	As at 31 March 2017	As at 31 March 2016
11 Other financial liabilities		
Current		
Salary Payable	400,929,017	300,582,754
Other Liabilities	17,011,308	-
Employee benefit obligations	170,503,658	14,958,419
Current maturities of obligation under finance lease	299,535,734	410,690,599
Bank Overdraft	409,723,037	284,835,766
	1,297,702,754	**1,011,067,538**

	As at 31 March 2017	As at 31 March 2016
12 Other liabilities		
Non-current		
Deposits and other advances received	-	58,027,834
	-	**58,027,834**
Current		
Advances from customers	-	72,535,538
	-	**72,535,538**

	As at 31 March 2017	As at 31 March 2016
13 Trade payables		
Payable to group companies	4,776,966,726	5,097,035,102
Trade Payable	1,973,873,984	2,888,078,665
	6,750,840,710	**7,985,113,767**

HEALTHPLAN SERVICES, INC.
Summary of significant accounting policies and other explanatory information

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

	Year ended 31 March 2017	Year ended 31 March 2016
14 Revenue from operations		
Sale of services	16,311,381,068	1,398,964,133
Revenue from operations (gross)	**16,311,381,068**	**1,398,964,133**

	Year ended 31 March 2017	Year ended 31 March 2016
15 Employee benefits expense		
Salaries and wages	7,765,279,049	566,835,851
Staff welfare expenses	22,761,558	1,832,966
	7,788,040,607	**568,668,817**

	Year ended 31 March 2017	Year ended 31 March 2016
16 Finance costs		
Interest Cost	63,080,011	5,051,929
	63,080,011	**5,051,929**

	Year ended 31 March 2017	Year ended 31 March 2016
17 Other expenses		
Sub contracting / technical fees / third party application	4,617,269,397	339,826,912
Travel	98,782,033	8,187,566
Repairs and maintenance	1,149,541,639	99,483,953
Rent	418,497,354	48,204,286
Provision/write off of bad debts	25,706,375	-
Communication	264,605,578	34,826,002
Advertisement and sales promotion	17,152,233	2,448,863
Legal and professional charges	903,508,273	86,386,181
Staff recruitment	133,269,082	7,342,912
Insurance	75,471,735	11,659,287
Rates and taxes	40,769,139	42,202,298
Audit fees	64,152,706	1,395,955
Miscellaneous expenses	212,324,524	98,875,883
	8,021,050,068	**780,840,098**

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18 Related party disclosure

i) Parties where control exists:

Name of the related party	Nature of relationship
Wipro Ltd	Ultimate Holding Company
Healthplan Insurance Agency Inc.	Fellow Subsidiary
Infcrossing Inc.	Fellow Subsidiary

ii) The Company has the following related party transactions:

Particulars	Relationship	Year ended 31 March 2017
Wipro Ltd.	Ultimate Holding Company	195,932,691
Infocrossing Inc.	Fellow Subsidiary	9,090,517

iii) The following are the balances payables and receivable to related parties

Particulars	Relationship	Year ended 31 March 2017
Payable to		
Health Plan Insurance Agency Inc.	Fellow Subsidiary	1,390,888,463
Healthplan Holding Corp.	Fellow Subsidiary	3,386,078,264
Wipro Ltd.	Ultimate Holding Company	136,829,842
Infocrossing Inc.	Fellow Subsidiary	568,100,500

19 Income tax

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

	Year ended	Year ended
Profit before taxes	(637,610,777)	(48,306,537)
Enacted income tax rate	35%	35%
Computed expected tax expense	(223,163,772)	(16,907,288)
Effect of:		
Expenses disallowed for tax purposes	(168,794,413)	-
Others, net	14,090,700	(1,772,209)
Total income tax expense	**(377,867,485)**	**(18,679,497)**

20 Financial risk management

Interest rate risk

The Company's borrowings are primarily from holding company and other group companies and no market borrowings/ borrowings at floating interest rates, so no exposure to interest rate risks.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of 31 March 2017, cash and cash equivalents are held with major banks and financial institutions.

21 First time adoption

These financial statements of Healthplan Services, Inc. for the year ended 31 March 2017, have been prepared in accordance with Ind AS. This is the Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard with 01 April 2015, as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31 March 2017, and the comparative information.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss is set out below:

i) Security deposits have been reported at their discounted values as compared to undiscounted value of under IGAAP. The resulting difference has been presented as part of other financial assets. Unwinding of the interest is recorded in the Statement of Profit and Loss under other income.

22 Prior period comparatives

Previous year's amounts have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of Healthplan Services, Inc.

Sd/-
N S Bala
Director

Place:
Date: 2 June 2017

Sd/-
Ashish Chawla
Director

Place:
Date: 2 June 2017