

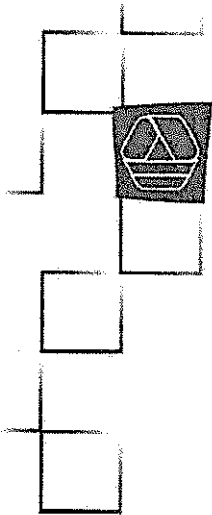
WIPRO INSURANCE SOLUTIONS, LLC

FINANCIAL STATEMENTS

Year Ended March 31, 2019

WIPRO INSURANCE SOLUTIONS, LLC
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Williams Overman Pierce, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Member of
Wipro Insurance Solutions, LLC

We have audited the accompanying financial statements of Wipro Insurance Solutions, LLC, which comprise the balance sheet as of March 31, 2019, and the related statements of operations and member's equity, and cash flows for the year then ended, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 financial position of Wipro Insurance Solutions, LLC as of March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Raleigh • Greensboro

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule on page 11 is presented for purposes of additional analysis of the financial statements and is not a required part of the financial statements. 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 supplementary 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 or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

SDI -

Raleigh, North Carolina
June 15, 2019

WIPRO INSURANCE SOLUTIONS, LLC
BALANCE SHEET
MARCH 31, 2019

Assets

Current assets:	
Cash and cash equivalents	\$ 2,176,883
Accounts receivable	281,747
Unbilled revenues	145,417
Prepaid expenses and other current assets	<u>67,658</u>
 Total assets	 <u>\$ 2,671,705</u>

Liabilities and Member's Equity

Current liabilities:	
Accounts payable and accrued expenses	\$ 58,574
Due to affiliates	470,642
Income tax payable	<u>165,909</u>
	695,125
Long-term liabilities:	
Deferred tax liability	<u>1,522</u>
Contingencies	
Member's equity	<u>1,975,058</u>
 Total liabilities and member's equity	 <u>\$ 2,671,705</u>

See accompanying notes to financial statements.

WIPRO INSURANCE SOLUTIONS, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2019

Revenues:	
Service revenue	\$ 1,113,674
Reimbursements	<u>15,009</u>
Total revenues	1,128,683
Cost of revenues	<u>862,809</u>
Gross profit	265,874
Selling, general and administrative expenses	<u>216,857</u>
Income from operations	49,017
Other income (expense):	
Interest income	13,618
Other expense	<u>(3,104)</u>
	10,514
Income before provision for income taxes	59,531
Provision for income taxes, net	<u>(17,469)</u>
Net income	42,062
Member's equity - beginning of year	<u>1,932,996</u>
Member's equity - end of year	<u>\$ 1,975,058</u>

See accompanying notes to financial statements.

WIPRO INSURANCE SOLUTIONS, LLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2019

Cash flows from operating activities:	
Net income	\$ 42,062
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in:	
Accounts receivable	(93,287)
Unbilled revenues	(55,793)
Prepaid expenses and other current assets	(60,536)
Increase in:	
Accounts payable and accrued expenses	33,305
Due to affiliates	271,425
Income tax payable	15,037
Deferred tax liability	<u>1,523</u>
Net cash provided by operations	<u>153,736</u>
Net increase in cash and cash equivalents	153,736
Cash and cash equivalents:	
Beginning of year	<u>2,023,147</u>
End of year	<u>\$ 2,176,883</u>
Supplemental disclosures of cash flow information:	
Cash paid for income taxes	<u>\$ 910</u>

See accompanying notes to financial statements.

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

A. DESCRIPTION OF BUSINESS

Wipro Insurance Solutions, LLC ("the Company"), organized in the state of Delaware, is a wholly-owned subsidiary of Wipro, LLC. The Company's ultimate holding company is Wipro Limited, a company traded on the New York Stock Exchange.

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 able to collect licenses in 47 states, 3 cities and 2 territories, the District of Columbia and Puerto Rico. The Company also holds 26 third-party administrative licenses.

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. Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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 U.S. Dollars, which is the functional and reporting currency of the Company.

b. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity date of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are stated at cost, which approximate fair value, based on quoted market prices as of March 31, 2019.

d. Concentrations

Credit Risk

The Company maintains cash balances with various major financial institutions located in the United States. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company's management does not believe cash is exposed to significant credit risk. The Company periodically evaluates the relative credit standings of the financial institutions with which they do business.

Major Customers

The Company recognized revenues of \$809,534 from one customer who contributed individually more than 10% of total revenue for the year ended March 31, 2019. The accounts receivable balance outstanding from this customer on March 31, 2019 was \$44,648.

e. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are uncollateralized customer obligations due under normal trade terms and include amounts earned and billed but uncollected. Management assesses each customer's balance based on historical experience and future economic conditions to determine its best estimate of the portion that will not be collected. Management believes that as of March 31, 2019, all outstanding accounts receivable balances are collectible and as such, no allowance for doubtful accounts has been recorded.

f. Fair Value of Financial Instruments

The carrying amount of financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate fair value at March 31, 2019.

g. Revenue Recognition

The Company derives revenue primarily from business process 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.

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

Interest is recognized based on the rates implicit in the related agreement.

Unbilled revenues represent cost and earnings in excess of billings at the end of the reporting period.

Revenue 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 cost, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When the total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of operations and member's equity in the period in which such losses become probable based on the current contract estimates.

h. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period the change is enacted.

The Company files consolidated income tax returns with its parent company in the U.S. federal jurisdiction and various states, whenever applicable, and records its share of the consolidated federal tax liability on a separate return basis. The Company regularly reviews the likelihood of additional tax assessments and adjusts its reserves as additional information or events require. The Company believes that its tax positions comply with applicable tax law and that the Company has adequately provided for applicable tax matters as of March 31, 2019.

i. Uncertain Tax Positions

The Company evaluates all significant tax positions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740-10, Accounting for Uncertainty in Income Taxes. The Company recognizes the financial statement effects of an uncertain income tax position when it is more likely than not, based on the technical merits, that the position will not be sustained upon examination. The Company accrues for other tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated.

As of March 31, 2019, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

j. Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("Topic 606"), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date of ASU No. 2014-09 was amended by ASU No. 2015-14. Therefore, the ASU will be effective for the Company for the year ended March 31, 2020 with earlier adoption permitted for annual periods beginning after December 15, 2016. Further ASUs (ASU No. 2016-08, 2016-10) have been issued to clarify Topic 606 for principal and agent considerations and performance obligations and licensing implementation guidance. The Company is assessing the potential effects on future financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. The new guidance is intended to improve the recognition and measurement of financial instruments. The ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2018. The Company is assessing the potential effects on future financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. This ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2019. The Company is assessing the potential effects on future financial statements.

NOTE 2 – RELATED PARTY TRANSACTIONS

Throughout the year, the Company has outsourced certain services to other Wipro companies. In addition, some employee-related benefits and insurance is paid for by Wipro Limited or included in Wipro Limited's policies and charged back to the Company. As of March 31, 2019, the Company had intercompany payables to other Wipro companies for an amount of \$470,642.

The Company utilizes office space that is leased by Wipro Limited with monthly rent allocated to the Company. Rent expense for this office space for the year ended March 31, 2019 was \$126,280.

NOTE 3 – INCOME TAXES

The Company files its federal tax return as a member of a consolidated group and records its share of the consolidated federal tax liability on a separate return basis. The Company's provision for income taxes for the year ended March 31, 2019 consisted of the following:

Current income tax expense	\$ 15,946
Deferred income tax expense	<u>1,523</u>
Total income tax provision	<u>\$ 17,469</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to accrued liabilities.

NOTE 4 – CONTINGENCIES

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 5 – SUBSEQUENT EVENTS

Management of the Company has evaluated subsequent events through June 15, 2019, the date the financial statements were available to be issued. No significant subsequent events have been identified by management.

SUPPLEMENTARY INFORMATION

**WIPRO INSURANCE SOLUTIONS, LLC
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019**

Cost of revenues:

Software development	\$ 354,245
Salaries expense	382,284
Rent	<u>126,280</u>
	<u>\$ 862,809</u>

Selling, general and administrative:

Professional fees	\$ 166,564
Corporate overhead	23,072
Bank fees	12,723
Audit fees	12,341
Rate and taxes	<u>2,157</u>
	<u>\$ 216,857</u>