HealthPlan Services Insurance Agency, LLC

Special Purpose Financial Statements
Year Ended December 31, 2019

HealthPlan Services Insurance Agency, LLC
Contents
Year Ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of HealthPlan Services Insurance Agency, LLC

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of HealthPlan Services Insurance Agency, LLC (the "Company"), which comprise the balance sheet as at December 31, 2019, and the related statement of Operations and member's equity and cash flows for the year then ended, and related notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Company for the year ended December 31, 2019, present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the special purpose financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the special purpose financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The special purpose financial statements of the Company have been prepared for the first time from the year commencing on January 1, 2019 and accordingly the financial information for the year ended up to December 31, 2018 is unaudited.

Our opinion is not modified in respect of the above matter.

Basis of Accounting

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting.

Restriction on Distribution and Use

The special purpose financial statements are prepared on the basis of accounting discussed in Note 1, which is a basis of accounting in conformity with accounting principles generally accepted in the United States of America. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the member and management of Company and for Wipro Limited, its ultimate holding Company, for the purpose of meeting the requirements of Section 137 of the Companies Act, 2013, read with rules thereunder and is not intended to be and should not be used by anyone other than the above specified purpose. Our opinion is not modified with respect to that matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation of the special purpose financial statements in accordance with basis of accounting mentioned in Note 1 and this includes design , implementation and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose financial statement that are free from material misstatement whether due to fraud or error.

In preparing the Special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.
Those Charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Special purpose financial statements.

SD/-
BDO India LLP
Mumbai
Date: 15 June, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF HEALTHPLAN SERVICES INSURANCE AGENCY, LLC

Auditors' Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies ininternal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SD/-
BDO India LLP
Mumbai
Date: 15 June,2020

HealthPlan Services Insurance Agency LLC
Special Purpose Balance Sheet
As of December 31,2019
(in thousands, except share and per share amounts)

Assets	
Current Assets:	
Related Party Receivables, net	2,234
Total current assets	2,234
Total assets	$ 2,234
Liabilities and Stockholder's Equity	
Share Capital	1
Others equity	2,233
Total liabilities and Member's equity	$ 2,234

See accompanying notes to special purpose financial statements

HealthPlan Services Insurance Agency LLC
Special Purpose Statement of Operations and Member's Equity
For the Year Ended December 31,2019
(in thousands)

Operating revenues	$ 4,701
Operating Expenses:	
Personnel expenses	1,192
General and administrative	373
Agent commissions	1,539
Total operating expenses	3,104
Income from operations	1,597
Income before provision for income taxes	1,597
Provision for income taxes	-
Net Income	$ 1,597
Opening Others' equity	637
Closing Others' equity	$ 2,233

See accompanying notes to special purpose financial statements

HealthPlan Services Insurance Agency LLC
Special Purpose Statement of Cash Flows
For the Year ended December 31, 2019
(in thousands)

Cash flows from operating activities:		
Net Income	$	1,597
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities,		
Prepaid expenses, other current and other assets		(225)
Related Party Receivables, net		(1,372)
Net cash used in operating activities		(0)
Net Increase in cash and cash equivalents		(0)
Cash and cash equivalents:		
Beginning of year		-
End of year	$	(0)

See accompanying notes to special purpose financial statements

Note 1. Description of Business and Organization and Summary of Significant Accounting Policies

Healthplan Services Insurance Agency, LLC (“HPSIA” or “the Company”), is a wholly-owned subsidiary of Healthplan Services, Inc. The Company is provider of Business Process Services (BPS) services.

Liquidity and management’s plans: The holding company had a net loss, negative working capital and negative cash flows from operations. Management of the holding company plans to increase revenues through recovery of lost customers and expanding its market and seeks to control costs. However, there can be no assurances that management’s plans will be achieved. The Ultimate Parent Company has committed to provide working capital necessary for funding the operations of the Company through one year from the date of this report, as needed. The ultimate parent has further demonstrated their ability to fund the operations through a capital contribution to holding company to the extent of $55,000 during the year ended December 31, 2019.

A summary of the Company’s significant accounting policies are as follows:

Basis of Accounting: The special purpose financial statements of the Company have been prepared using a basis of accounting in conformity with the accounting principles generally accepted in the United States of America (“U.S. GAAP”). The special purpose financial statements of the Company as of and for the year ended December 31, 2019 prepared on the accrual basis. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The special purpose financial statements have been prepared for the purpose of meeting the requirements of Section 137 of the Companies Act, 2013, read with rules thereunder by Wipro Limited, the Company’s ultimate holding company.

These special purpose 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 special purpose financial statements have been presented in U.S. Dollars (in thousands), which is the functional and reporting currency of the Company.

The special purpose financial statements have been prepared under US GAAP for the first time by the Company. Hence, comparative figures for the immediately preceding period have not been presented.

Use of estimates: The preparation of these special purpose financial statement 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 Special Purpose financial statements and the reported amounts of revenues and expenses during the reporting period. The Company reviews its estimates, including but not limited to, recoverability of long-lived assets, on a regular basis, and makes adjustments based on historical experiences and existing and expected future conditions. These evaluations are performed, and adjustments are made as information is available. Management believes that these estimates are reasonable; however, actual results could differ from these estimates.

During the year, the Company changed its reporting period, which previously had a beginning date of April 1 and ending on March 31, to a beginning date of January 1 and ending on December 31.

Adoption of New Accounting Standards: During the year ended December 31, 2019, we adopted the following accounting standards under the Accounting Standards Codification (“ASC”) issued by the Financial Accounting Standards Board (“FASB”):

ASC 606 – *Revenue from Contract with Customers* - On January 1, 2019, the Company adopted ASC 606, *Revenue from Contracts with Customers*, using the cumulative catch-up transition method applied to contracts that were not completed as of January 1, 2019. In accordance with the cumulative catch-up transition method, prior periods have not been retrospectively adjusted. The adoption of ASC 606 did not have a material impact on the accompanying Special Purpose statement of operations for the year ended December 31, 2019.

A. Contract Asset and Liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. The Company classifies its right to consideration in exchange for deliverables as either an accounts receivable or an unbilled receivable (contract asset).

Contract assets: Contract assets include unbilled amounts from projects when revenues recognized exceed the amounts invoiced to customers related to time and materials contracts or volume-based contracts. Such amounts are recoverable from customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. Contract assets do not include capitalized costs to obtain and fulfill a contract.

Contract liabilities: Contract liabilities from contracts arise when amounts invoiced to customers exceed revenues recognized under the cost-to-cost measure of progress. Contract liabilities can also include provision for losses on uncompleted contracts or advanced payments from customers on certain contracts.

Contract assets and liabilities are reported in a net position on a contract by contract basis at the end of each reporting period.

B. Remaining Performance Obligations

Revenue allocated to remaining performance obligations represent contracted revenue that has not yet been recognized, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Applying the practical expedient, the Company has not disclosed its right to consideration from customers in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. These include contracts invoiced on a time and material basis or those that are volume-based.

C. Disaggregation of Revenues

The table below presents disaggregated revenues from contracts with customers by contract-type. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Revenue by nature of contract	Total
Time and materials	$ 4,701
	$ 4,701

Revenue recognition: The Company's operating revenues consist of fees charged for other administrative services and fees based upon premiums collected on behalf of or collected by the insurance carriers.Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables, or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

Revenues are recognized ratably over contractual periods or as claims processing and administrative services are performed. Minimum fixed and determinable revenue provided in contracts is also recognized on a straight-line basis, limited to amounts billable according to contractual terms. Revenues from customers with certain contingent rights and revenues based on a percentage of collected cash are not recognized until the corresponding cash is collected. For some of these carriers, whereby the Company has the authority to withhold the amounts related to agent commissions, such collections are directly recognized as revenue. Revenue collected in advance is recorded as a contract liability (deferred revenue) until the related services are performed.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations such as volume discounts, rebates and pricing incentives to customers as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, the Company is the principal; if not, the Company is the agent.

Cash and cash equivalents: Cash and cash equivalents are defined as highly liquid investments that have maturities of three months or less when purchased.

Cash and cash equivalents are stated at cost, which approximates fair value, based on quoted market prices as of December 31, 2019.

Accounts receivable: Accounts receivable are uncollateralized customer obligations that are recorded when the Company performs its services. The Company determines its allowance for doubtful accounts considering a number of factors, including the overall aging of the receivables, previous history with the customer, contractual terms of the Company's contracts, and the customer's current ability to pay its obligation to the Company. Upon completion of all collection efforts, remaining uncollectible accounts are written off.

Prepaid expenses and other current assets: Prepaid expenses and other current assets consist primarily of prepayments related to insurance, postage, and repair and maintenance contracts.

Property and equipment: Property and equipment is stated at cost. Costs of the assets acquired in prior business combinations have been recorded at their respective fair values at the date of acquisition. Expenditures for maintenance and repairs and research and development costs are expensed as incurred. Major improvements that increase the estimated useful life of an asset are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets:

Commissions payable: Agent commissions are recognized as expense in the same period that corresponding revenues are recognized. These commissions are paid to the agents in the month after the related premiums are collected. Commissions payable is included in accrued liabilities on the accompanying Special Purpose balance sheet.

Income taxes: The Company files consolidated income tax returns with its HealthPlan Services, Inc ("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 parent-company-down approach. The Company regularly reviews the likelihood of additional tax assessments and adjusts its reserves as additional information or events require. The Company's management has evaluated the need for deferred tax assets, considering the reversal of temporary difference and the ability to carry back losses and believes that certain deferred tax assets will not likely be realized through the reversal of existing taxable temporary differences and future taxable income. The company believes that its tax position complies with applicable tax laws and that the company has adequately provided for applicable tax matters as of December 31, 2019.

The Company accounts for uncertain tax positions in accordance with ASC 740, *Income Taxes*. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit or liability is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit or liability to be recognized is measured as the largest amount of benefit or liability that is greater than 50% likely of being realized upon ultimate settlement. Management has determined there are no uncertain income tax positions requiring recognition in the accompanying Special Purpose financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2016.

Note 2. Related Party Transactions

Throughout the year, the Company has participated in various transactions with parent company. These transactions were either in the form of cash transfers or expenses paid on behalf of the Company.

During the year ended December 31, 2019, parent company paid $ 4,701 in net revenue to the Company for various services. The expenses for services received by the Company towards personnel expenses of $ 1,192, general and administrative expenses of $373 and agent commissions of $ 1,539 are incurred by parent company at first instance and later reimbursed by the Company. The Company had a net related party receivable balance of $2,234 in related party receivables from parent company as of December 31, 2019. These related party receivables represent charges for. Amounts receivable under these arrangements are uncollateralized and are due on demand.

Note 3. Commitments and Contingencies

Regulatory compliance: The Company's activities are highly regulated by state and federal regulatory agencies under requirements that are subject to broad interpretations. The Company cannot predict the position that may be taken by these third parties that could require changes to the manner in which the Company operates.

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") is an evolving area of law and is subject to ongoing regulatory and judicial interpretations. ERISA governs the relationships between certain health benefit plans and the fiduciaries of those plans. In general, ERISA is designed to protect the ultimate beneficiaries of the plans from wrongdoing by the fiduciaries. ERISA provides that a person is a fiduciary of a plan to the extent that such person has discretionary authority in the administration of the plan or with respect to the plan's assets.

Each employer is a fiduciary of the plan it sponsors, but there also can be other fiduciaries of a plan. ERISA imposes various express obligations on fiduciaries. For example, a fiduciary must prevent its plan from engaging in certain prohibited transactions with parties in interest or from acting under an impermissible conflict of interest with a plan. Generally, a party in interest with respect to a plan includes a fiduciary of the plan and persons that provide services to the plan.

State regulation: The Company is subject to regulation under health care, insurance, and other laws of all 50 states, the District of Columbia and Puerto Rico. Many states require the Company or its employees to receive regulatory approval or licensure to provide claims administration services. State regulators have relatively broad discretion to interpret these laws when granting, renewing or revoking licenses or approvals. Regulators could construe some of these laws to prohibit or restrict practices that have been significant factors in the Company's operating procedure for many years.

Litigation: The Company is subject to pending and threatened litigation that arises in the ordinary course of business. Although the outcome of this litigation cannot be predicted with certainty, management believes that ultimate disposition of such matters will not have a material effect on the Company's financial statements. As of December 31, 2019

Note 4. Subsequent Events

Management has evaluated subsequent events through June 15, 2020, which is the date through which the Special Purpose financial statements were available to be issued. No significant subsequent events have been identified by management, other than those described below.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.