

# WIPRO INSURANCE SOLUTIONS, LLC

Financial Statements

Years Ended March 31, 2024 and 2023



Williams Overman Pierce, LLP  
— CPAs • Advisors —

**WIPRO INSURANCE SOLUTIONS, LLC**  
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## INDEPENDENT AUDITOR'S REPORT

To the Member of  
Wipro Insurance Solutions, LLC

### Opinion

We have audited the accompanying financial statements of Wipro Insurance Solutions, LLC, which are comprised of the balance sheets as of March 31, 2024 and 2023, and the related statements of operations and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wipro Insurance Solutions, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wipro Insurance Solutions, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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.



Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Wipro Insurance Solutions, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wipro Insurance Solutions, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on page 16 are presented for purposes of additional analysis and are 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Williams Dverman Pierce, LLP*

Raleigh, North Carolina  
May 28, 2024

**WIPRO INSURANCE SOLUTIONS, LLC**  
**BALANCE SHEETS**  
**AS OF MARCH 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,187,313	\$ 10,768,530
Accounts receivable	480,811	146,360
Contract assets	464,435	820,000
Income tax receivable	5,029,369	514,134
Prepaid expenses and other current assets	<u>1,294,848</u>	<u>1,041,589</u>
	10,456,776	13,290,613
Property and equipment, net	18,888	4,114
Deferred tax assets	<u>1,121,209</u>	<u>819,292</u>
Total assets	<u>\$ 11,596,873</u>	<u>\$ 14,114,019</u>
<u>Liabilities and Member's Equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 446,420	\$ 716,886
Due to affiliates	4,791,314	7,728,193
Salary and employee benefit payable	4,023,584	3,228,699
Other current liabilities	<u>884</u>	<u>1,349</u>
	<u>9,262,202</u>	<u>11,675,127</u>
Member's equity	<u>2,334,671</u>	<u>2,438,892</u>
Total liabilities and member's equity	<u>\$ 11,596,873</u>	<u>\$ 14,114,019</u>

**WIPRO INSURANCE SOLUTIONS, LLC**  
**STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY**  
**FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenues:		
Service revenue	\$ 36,746,606	\$ 21,304,910
Cost of revenues	<u>33,237,442</u>	<u>19,113,445</u>
Gross profit	3,509,164	2,191,465
Selling, general and administrative expenses	<u>1,641,300</u>	<u>731,638</u>
Income from operations	1,867,864	1,459,827
Other income (expense):		
Interest income	96,340	5,508
Other (expense) income	<u>(108,769)</u>	<u>42,257</u>
	<u>(12,429)</u>	<u>47,765</u>
Net income before provision for income taxes	1,855,435	1,507,592
Provision for income taxes, net	<u>1,959,656</u>	<u>772,098</u>
Net (loss) income	(104,221)	735,494
Member's equity - beginning of year	<u>2,438,892</u>	<u>1,703,398</u>
Member's equity - end of year	<u>\$ 2,334,671</u>	<u>\$ 2,438,892</u>

**WIPRO INSURANCE SOLUTIONS, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income (loss)	\$ (104,221)	\$ 735,494
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3,939	253
(Increase) decrease in:		
Accounts receivable	(334,451)	(146,360)
Contract assets	355,565	(820,000)
Income tax receivable	(4,515,235)	(514,134)
Prepaid expenses and other current assets	(253,259)	(743,243)
Deferred tax assets	(301,917)	(790,579)
Increase (decrease) in:		
Accounts payable and accrued expenses	(270,466)	429,790
Due to affiliates	(2,936,879)	7,690,031
Employee benefit payable	794,885	3,193,099
Income tax payable	-	(51,350)
Other current liabilities	(465)	349
Net cash (used in) provided by operating activities	<u>(7,562,504)</u>	<u>8,983,350</u>
Cash flows from investing activities:		
Purchases of equipment	<u>(18,713)</u>	<u>(4,367)</u>
Net cash used in investing activities	<u>(18,713)</u>	<u>(4,367)</u>
Net decrease (increase) in cash and cash equivalents	(7,581,217)	8,978,983
Cash and cash equivalents:		
Beginning of year	<u>10,768,530</u>	<u>1,789,547</u>
End of year	<u>\$ 3,187,313</u>	<u>\$ 10,768,530</u>
Supplemental Disclosure:		
Interest paid	<u>\$ 184,293</u>	<u>\$ 116,174</u>
Income taxes paid	<u>\$ 6,776,808</u>	<u>\$ 1,337,581</u>

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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 related to life and annuity, property and casualty, and healthcare insurance. The Company is a service provider to various insurers, brokers, carriers and providers of insurance across the United States and holds 47 licenses to perform activities related to claim administration. The Company also provides consumer lending account support services for its customers in the United States in 54 states/municipalities, the District of Columbia and Puerto Rico. The Company also holds licenses for Federal Student Loan Services activity in 46 states.

The Company operates branches in India which are included with the U.S. operations for reporting purposes.

**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.



## **WIPRO INSURANCE SOLUTIONS, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **c. Revenue Recognition**

The Company derives revenue primarily from administrative services rendered to life and annuity, property and casualty, and healthcare 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 service promised to a customer is 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 obligations 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 software maintenance and support 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. 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.

## **WIPRO INSURANCE SOLUTIONS, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

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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 are amortized over the contract term.

The Company recognizes contract fulfillment costs 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 the 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 the 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 the Company, 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 the 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.

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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***Contract Asset and Contract 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 (deferred revenue). Contract liabilities can also include 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.

There are no contract liabilities as of March 31, 2024 and 2023.

***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.

***Disaggregation of Revenues***

The table below presents disaggregated revenues from contracts with customers by contract-type for the years ended March 31, 2024 and 2023. The Company believes that the below disaggregation best depicts the nature, amount, timing, and uncertainty of revenue and cash flows from economic factors.

<b><u>Revenue by nature of contracts</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Time & materials	<u>\$ 36,746,606</u>	<u>\$ 21,304,910</u>

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**d. Property and Equipment, Net:**

	Computer, Equipment and Software	Furniture, Fixtures and Equipment	Total
Cost			
Balance at April 1, 2023	\$ 1,222	\$ 2,892	\$ 4,114
Additions	7,226	11,488	18,714
Balance at March 31, 2024	\$ 8,448	\$ 14,380	\$ 4,367
Accumulated depreciation and amortization			
Balance at April 1, 2023	\$ -	\$ -	\$ -
Depreciation	2,248	1,692	3,939
Balance at March 31, 2024	2,248	1,692	3,939
Carrying amount at March 31, 2024	\$ 6,200	\$ 12,688	\$18,888

Property 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.

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, equipment and software	2 to 4 years
Furniture, fixtures and equipment	3 to 7 years

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Subsequent expenditure relating to property 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 and equipment not available for use before such date are disclosed under capital work- in-progress. There was no capital work-in-progress as of March 31, 2024 and 2023.

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**e. 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.

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.

Cash and cash equivalents are stated at cost, which approximates fair value, based on quoted market prices as of March 31, 2024 and 2023.

**f. Accounts Receivable, Allowance for Credit Losses, and Contract Assets**

Accounts receivable are uncollateralized customer obligations that are recorded when the Company performs its services. The Company determines its allowance for credit losses 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. Management believes that as of March 31, 2024 and 2023, all outstanding accounts receivable balances are collectible and as such, no allowance for credit losses was recorded as it was deemed immaterial. There were no contract liabilities as of March 31, 2024, March 31, 2023, and April 1, 2022.

Contract balances were as follows:

	March 31, 2024	March 31, 2023	April 1, 2022
Accounts receivable	\$ 480,811	\$ 146,360	\$ -
Contract assets	\$ 464,435	\$ 820,000	\$ -

**g. Fair Value of Financial Instruments**

The carrying amount of financial instruments, which include cash and cash equivalents, accounts receivable, contract assets, accounts payables and accrued expenses, approximate their fair value at March 31, 2024 and 2023.

## WIPRO INSURANCE SOLUTIONS, LLC NOTES TO FINANCIAL STATEMENTS

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### **h. Income Taxes**

The Company accounts for deferred income taxes under the asset and liability method, in accordance with the provisions of FASB Accounting Standards Codification ASC 740, Income Taxes. Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. The effect of a change in deferred tax assets and liabilities related to a change in tax rates is recognized in earnings in the period of enactment of the change. Based on management's judgment, the measurement of deferred income tax assets is reduced, if necessary, by a valuation allowance for any deferred tax assets for which it is more likely than not that some portion or all of such assets will not be realized.

The Company recognizes in its financial statements the impact of tax positions that meet a "more likely than not" threshold, based on the technical merits of the position. The tax benefits recognized from such position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Company recognizes penalties and interest related to unrecognized tax benefits in current tax expense.

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

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 parent-company-down approach. With exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax audits by taxing authorities for tax years prior to 2020.

As of March 31, 2024 and 2023, 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. The Company believes that its tax positions comply with applicable tax rates and that the Company has adequately provided for applicable tax matters for the years ended March 31, 2024 and 2023.

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**i. New Accounting Pronouncement**

In June 2016, the FASB issued accounting standards update ("ASU") No. 2016-13, Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASU 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the end amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13.

On April 1, 2023, the Company adopted the new accounting standard and all of the related amendments using the modified retrospective method. The modified retrospective transition allows application of the new standard at the adoption date and the recognition of a cumulative-effect adjustment to the opening balance of member's equity in the period of adoption with no adjustments to previously reported results. In accordance with this approach, the Company's financial statements for the period prior to April 1, 2023 were not revised to reflect the new accounting guidance. The adoption did not have a material impact on the Company's financial statements as of and for the year ended March 31, 2024.

**NOTE 2 – CONCENTRATION OF CUSTOMERS**

Major customers are those that account for 10% or more of the Company's total revenue, or have net receivable balances in excess of 10% of total accounts receivable.

As of March 31, 2024, one customer represented 100% of accounts receivable and 11% of revenue as follows:

<u>Customer</u>	<u>Receivables</u>	<u>Revenue</u>
Customer X	\$ 480,811	\$3,987,664

As of March 31, 2023, one customer represented 99% of accounts receivable and two customers represented 25% of total revenue as follows:

<u>Customer</u>	<u>Receivables</u>	<u>Revenue</u>
Customer A	\$ -	\$4,655,359
Customer B	\$145,360	\$ 739,913

**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 3 – RELATED PARTY TRANSACTIONS**

Throughout the year, the Company has outsourced certain services to other Wipro companies. In addition, some employee benefits and insurance is either paid for by Wipro or included in Wipro's policies and charged back to the Company. As of March 31, 2024 and 2023, the Company has intercompany payables to other Wipro companies of \$4,791,314 and \$7,728,193, respectively.

The Company utilizes office space that is leased by Wipro Limited with monthly rent allocated to the Company. The short-term lease costs does not reflect the Company's ongoing short-term lease commitments. Rent expense for this office space for the years ended March 31, 2024 and 2023, was \$7,859 and \$15,720, respectively and is included in the selling, general and administrative expenses on the accompanying statements of operations.

**NOTE 4 – 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 income tax benefit for the years ended March 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Current income tax expense	\$ 2,261,573	\$ 1,562,678
Deferred income tax (benefit)	<u>(301,917)</u>	<u>(790,579)</u>
	<u>\$ 1,959,656</u>	<u>\$ 772,098</u>

Income tax benefit for the years ended March 31, 2024 and 2023 included return-to-provision adjustments of \$55,419 and \$125,551, respectively, due to changes in estimates when filing the consolidated tax returns, which increased net (loss) income during the respective period.

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, depreciation, and amortization expenses for the years ended March 31, 2024 and 2023.

**NOTE 5 – 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 unaware of any litigation, pending or threatened, against them.



**WIPRO INSURANCE SOLUTIONS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – SUBSEQUENT EVENTS**

Management of the Company has evaluated subsequent events through May 28, 2024, 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  
SCHEDULES OF EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cost of revenues:		
Software development charges	\$ 3,057,586	\$ 5,206,735
Subcontracting charges	36,377	65,048
Depreciation	3,939	253
Salaries expense	27,278,657	12,392,059
Employee benefits	2,853,024	1,433,630
Rent	<u>7,859</u>	<u>15,720</u>
	<u>\$ 33,237,442</u>	<u>\$ 19,113,445</u>
 Selling, general and administrative:		
Professional fees	\$ 493,512	\$ 312,550
Corporate overhead	163,135	10,124
Bank fees	28,535	19,839
Audit fees	40,312	27,467
Interest expense	184,293	116,174
Miscellaneous expense	617,134	239,616
Travel and other direct costs	<u>114,379</u>	<u>5,868</u>
	<u>\$ 1,641,300</u>	<u>\$ 731,638</u>