Cynosure APAC Pty.Ltd
Balance Sheet
(All amounts in AUD Thousands unless otherwise stated)

Balance Sheet as at	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
(a) Deferred tax assets (net)	4	-	1
Total Non-current assets		-	1
Current assets			
(a) Financial assets			
i. Trade receivables	3 (a)	25	93
ii. Cash and cash equivalents	3 (b)	82	116
(b) Other current assets	5	6	0
Total current assets		113	209
Total assets		**113**	**210**
Equity and liabilities			
Equity			
(a) Equity share capital	6 (a)	0	0
(b) Other equity			
i. Reserves and surplus	7	44	147
Total equity		44	147
Liabilities			
Current liabilities			
(a) Financial liabilities			
i. Trade payables	8	35	1
ii. Other financial liabilities	9	-	17
(b) Other current liabilities	10	12	1
(c) Income tax liabilities (net)	11 (a)	22	44
Total current liabilities		69	63
Total liabilities		69	63
Total equity and liabilities		**113**	**210**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Cynosure APAC Pty.Ltd

Hemant M. Joshi
Partner
Place: Pune
Date:

Director
Place:
Date:

Cynosure APAC Pty.Ltd
Statement of Profit and Loss
(All amounts in AUD Thousands unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
(a) Revenue from operations	12	166	416
(b) Other income	13	(1)	22
Total income		**165**	**438**
Expenses			
(a) Employee benefits expense	14	108	220
(b) Subcontracting costs		170	35
(c) Finance costs	15	0	0
(d) Other expenses	16	11	22
Total expenses		**289**	**277**
Profit/(Loss) before tax		**(124)**	**161**
Tax expense	17		
(a) Current tax		(22)	36
(b) Deferred tax		1	(1)
Total tax expense		(21)	35
Profit/(Loss) for the year		**(103)**	**126**
Other comprehensive income			
I) (a) **Items that will not be reclassified to profit or loss**		-	-
		-	
II) (a) **Items that will be reclassified to profit or loss**		-	
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**(103)**	**126**
Earnings per share	22		
- Basic (In AUD)		(1,025)	1,258
- Diluted (In AUD)		(1,025)	1,258

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Cynosure APAC Pty.Ltd

Hemant M. Joshi
Partner
Place: Pune
Date:

Director
Place:
Date:

Cynosure APAC Pty.Ltd
Statement of Cash Flows for year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash flow from operating activities				
Profit before taxation		(124)		161
Adjustments for:				
Finance costs	0		0	
Bad Debts written off	-		11	
Net foreign exchange gain / (loss)	(1)	(1)	(6)	5
Operating profit before working capital changes		**(125)**		**166**
Change in operating assets and liabilities				
(Increase)/ decrease in trade receivables	68		(17)	
(Increase)/ decrease in other current financial assets	-		-	
(Increase)/ decrease in other current assets	(6)		30	
Increase/ (decrease) in trade payables	34		(134)	
Increase/ (decrease) in other current financial liabilities	(17)		4	
Increase/ (decrease) in current provisions	12		12	
Increase/ (decrease) in current employee benefit obligations	0	91	-	(105)
Cash generated from operations		(34)		61
Income taxes paid (net of refunds)		-		5
Net cash inflow/(outflow) from operating activities		**(34)**		**66**
Cash flow from investing activities		**0**		**-**
Cash flow from financing activities				
Interest paid	(0)		(0)	
Net cash used in financing activities		**(0)**		**(0)**
Net increase/(decrease) in cash and cash equivalents		**(34)**		**66**
Cash and cash equivalents at the beginning of the financial year		116		50
Cash and cash equivalents at the end of the financial year		82		116

Notes:

a. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

b. Cash and cash equivalents comprise of:

	As at March 31, 2018	As at March 31, 2017
Balances with banks	82	116
Total	**82**	**116**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Cynosure APAC Pty.Ltd

Hemant M. Joshi
Partner
Place: Pune
Date:

Director
Place:
Date:

Cynosure APAC Pty.Ltd
Statement of changes in equity
(All amounts in AUD Thousands unless otherwise stated)

Equity share capital

Amount in AUD

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
28	(28)	0
Balance as at April 1, 2018	**Changes in equity share capital during the year**	**Balance as at March 31, 2019**
0	-	0

Particulars	Notes	Reserves and Surplus - Retained Earnings	Total
Balance as at April 1, 2017		**21**	**21**
Profit for the year	8 (b)	126	**126**
Total comprehensive income for the year		**126**	**126**
Balance as at March 31, 2018		**147**	**147**
Profit for the year	8 (b)	(103)	**(103)**
Total comprehensive income for the year		**(103)**	**(103)**
Balance as at March 31, 2019		**44**	**44**

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Cynosure APAC Pty.Ltd

Hemant M. Joshi
Partner
Place: Pune
Date:

Director
Place:
Date:

Cynosure APAC Pty.Ltd
Notes accompanying the financial statements as at and for the year ended March 31, 2019

1. Corporate Information

Cynosure APAC PTY Ltd. ("the Company") is a company registered under AUSTRALIA Corporate Law. The Company is primarily engaged in providing implementation services to Property and Casualty (P&C) insurance carriers.

The financials statements for the year ended March 31, 2019 were approved by board of directors and authorised for issue on xxx

2. Summary of significant accounting policies

a. Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b. Basis of preparation

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities (including derivative instruments) which are measured at fair value; and
- share- based payments

(ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

c. Foreign currency translation

(i) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian Dollars (AUD), which is the Company's functional and presentation currency.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Profit or Loss and reported within foreign exchange gains/(losses).

- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

d. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised only when there is transfer of control of goods and services. At the inception of every contract, transaction price and performance obligations are determined. Transaction price reflect amount of consideration expected to be received in exchange for transferring goods and services plus weighted average estimate of variable consideration i.e. discounts, rebates, price concession, rebates etc. Transactions price is allocated in a manner that depicts exchange for transferring of promised goods and service. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

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 transaction price to separately identifiable performance obligations based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost plus margin approach in estimating the stand-alone selling price.

(i) Time and material contracts:

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

e. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss.

(i) Current Income Tax:

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.

(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred 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 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 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 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 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.

f. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

h. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i. Other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either though other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement

Financial assets carried at amortised cost:
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI):
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further,in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through other comprehensive income:
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further,in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

(v) Derecognition of financial assets

The Company derecognizes a financial asset when
- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

j. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid.Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforeacble right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l. Provisions
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.
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. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.
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.
When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)
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.

m. Employee benefits

(i) Post-employment and pension plans
The Company has Defined Contribution Plan for Post-employment benefits for all employees in the form of Superannuation. This fund is classified as defined contribution plan. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

(ii) 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. Liabilities for wages and salaries including the amount expected to be paid under short-term cash bonus or profitsharing plans, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised 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.

n. Contributed Equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

n. Contributed Equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

o. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

p. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

q. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest thousands as per the requirement of Schedule III, unless otherwise stated.

r. Recent accounting pronouncements

On March 30,2019, Ministary of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value. Currently, operating lease expenses are charge to the statement of profit or loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is in process of evaluating the impact on the financial statements.

2a. Critical estimates and judgements

The preparation of the financial statements 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. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

i Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any,on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under note 2(e).

iii Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic

depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2(m).

iv Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2(n).

Cynosure APAC Pty.Ltd

Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

3 Financial assets

3 (a) Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trade receivables considered good- Secured	25	93
Trade receivables- credit impaired	-	-
	25	**93**
Less: allowance for credit loss	-	-
Total receivables	**25**	**93**
Current portion	25	93
Non- current portion	-	-

3 (b) Cash and cash equivalents

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balances with banks :		
- In current accounts	82	116
Total	**82**	**116**

(All amounts in AUD Thousands unless otherwise stated)

4 Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
The major components of the deferred tax asset are		
Provision for expenses allowable on payment basis	-	1
Net deferred tax asset / (liability)	**-**	**1**

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(i) Movement in deferred tax assets

Particulars	Provision for expenses allowable on payment basis	Total
As at April 1, 2017	**-**	**-**
(Charged)/credited:		
- to statement of profit and loss	1	**1**
As at March 31, 2018	**1**	**1**
(Charged)/credited:		
- to statement of profit and loss	(1)	**(1)**
As at March 31, 2019	**-**	**-**

5 Other Current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Receivable	6	0
Total	**6**	**0**

Cynosure APAC Pty.Ltd
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

6 (a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and Paid up : 100 equity shares with $1 par value (100 shares of $1 value each at March 31, 2019)	0	0
Total	**0**	**0**

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos	in AUD	Nos	in AUD
At the beginning of the year	100	0	100	28
Change during the year			-	(28)
Outstanding at the end of the year	**100**	**0**	**100**	**0**

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having no par value. Each holder of equity shares is entitled to one vote per share.

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

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	%	Number of shares	%	Number of shares
Cynosure Inc.	100.00%	100	100.00%	100

(All amounts in AUD Thousands unless otherwise stated)

7 Movement of Reserves and surplus

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Retained earnings		
Balance as at the beginning of the year	147	21
Add: Profit for the year	(103)	126
Balance as at the end of the year	**44**	**147**

Retained earnings represents Company's undistributed earnings after taxes.

8 Trade payables

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Current		
Trade payables	35	1
Trade payables to related parties [refer note 21]	0	-
Total	**35**	**1**

9 Other financial liabilities

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Accrued salary and benefits	-	17
Total other current financial liabilities	**-**	**17**

(All amounts in AUD Thousands unless otherwise stated)

10 Other Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory taxes	12	1
Total	**12**	**1**

11 (a) Income tax liabilites

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets (net)	5	5
Income tax liabilities (net)	27	49
Net current income tax assets / (liability)	**(22)**	**(44)**

11 (b) Movement

The gross movement in the income tax asset / (liability) is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Net current income tax asset / (liability) at the beginning	(44)	(85)
Income tax paid	-	5
Current income tax expense (refer note 18)	-	36
Adjustment for current tax of prior periods (refer note 18)	22	-
Net current income tax asset / (liability) at the end	**(22)**	**(44)**

Cynosure APAC Pty.Ltd
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

12 Revenue from operations

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Software development and allied services	166	416
Total	**166**	**416**

13 Other income

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Miscellaneous Income	-	28
Net foreign exchange gain / (loss)	(1)	(6)
Total	**(1)**	**22**

14 Employee benefits expense

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Salaries, wages and bonus	97	202
Contribution to provident and other funds (Refer note 2 (o))	10	18
Staff welfare expenses	1	-
Total	**108**	**220**

15 Finance Costs

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Bank charges	0	0
Total	**0**	**0**

16 Other expenses

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Travelling and conveyance	1	1
Legal and professional charges	8	7
Communication expenses	0	-
Allowance for doubtful trade receivables		
- Provided during the year	-	-
- Bad debts written off	-	11
- Less: Reversed during the year		
	-	**11**
Miscellaneous expenses	2	3
Total	**11**	**22**

12a. Disclosure as per Ind AS 115

(a) Revenue for year ended March 31, 2019

Disclosures	Year ended March 31, 2019	Year ended March 31, 2018
Software development and allied services	166	416

(b) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	
Revenue by Geography	
-Australia	166
Revenue by Contract Type	
-Time and Material	166

(c) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

During the year ended March 31, 2019 , the company recognized revenue of AUD Nil arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , AUD Nil of unbilled revenue pertaining to fixed price contracts as of April 1, 2018 has been reclassified to Trade Receivable.

(e) Impact of applying erstwhile INDAS 115 -Revenue instead of INDAS 18- Revenue from Contract with customers

The impact on account of applying the erstwhile INDAS 115 Revenue standard instead of Ind AS 18 Revenue from contract with customers on the financials results of the company for the period ended March 31, 2018 is insignificant.

(All amounts in AUD Thousands unless otherwise stated)

17 Tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax expense		
Current Tax		
Current tax on profits for the year	-	36
Adjustment for current tax of prior periods	(22)	-
Total current tax expense	**(22)**	**36**
Deferred tax		
Decrease / (increase) in deferred tax assets	1	(1)
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expense / (benefit)	**1**	**(1)**
Income tax expense	**(21)**	**35**

(i) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in Australia:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before taxes	(124)	161
Enacted income tax rate	27.50%	27.50%
Computed expected tax expenses	**(34)**	**44**
Income tax relating to prior years	5	-
Deferred tax asset on tax losses not recognized	7	-
Others	1	(9)
	(21)	**35**

18 Fair value measurements

Financial instruments by category:

Particulars	As At March 31, 2019		As At March 31, 2018	
	Amortised cost	Total	Amortised cost	Total
Financial assets				
Loans	-	-	-	-
Trade receivables	25	25	93	93
Cash and cash equivalents	82	82	116	116
Other bank balances	-	-	-	-
Unbilled revenue	-	-	-	-
Others	-	-	-	-
Total financial assets	**107**	**107**	**209**	**209**
Financial liabilities				
Borrowings		-		-
Trade payables	35	35	1	1
Other financial liabilities	-	-	17	17
Total financial liabilities	**35**	**35**	**18**	**18**

19 Capital management

Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.
The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

(All amounts in USD Thousands unless otherwise stated)

20 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(i) Foreign currency risk

The company do not have foreign currency denominated assets and liabilities as on March 31, 2019 and March 31, 2018 and thus is not exposed to foreign currency risk.

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to AUD 25 thousands and AUD 93 thousands as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in the Australia. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

aa The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from top customer	100.0%	100.0%
Revenue from top five customers	100.0%	100.0%

ab The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was AUD Nil and AUD 11 thousands , respectively. The increase of allowance for life time expected credit gain on customer balances for the year ended March 31, 2019 was AUD Nil and AUD 11 thousands for the year ended March 31, 2018

	March 31, 2019	March 31, 2018
Balance at the beginning of the year	-	
Translation differences	-	-
Allowance for doubtful debts	-	11
Write offs	-	11
Balance at the end	-	-

The Company's credit period generally ranges from 30-60 days

	March 31, 2019	March 31, 2018
Trade receivables	25	93
Days sales outstanding - DSO (days)	55	82

(b) 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 March 31, 2019, cash and cash equivalents are held with major banks and financial institutions.

ba The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

	As at March 31, 2019				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	-	-	-	-	-
Trade payables	35	35	-	-	35
Other liabilities	-	-	-	-	-

Particulars	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	-	-	-	-	-
Trade payables	1	1	-	-	1
Other liabilities	17	17	-	-	17

21(a) Related party disclosures

A List of related parties

Zensar Technologies Limited	Ultimate Parent Company
Cynosure Inc	Holding Company
Zensar Technologies, Inc.	Holding Company
Cynosure Interface Services Private Limited	Fellow Subsidiary
Zensar Technologies (Singapore) Pte. Limited	Fellow Subsidiary
Zensar Technologies (Shanghai) Company Limited	Fellow Subsidiary
Zensar Technologies (UK) Limited	Fellow Subsidiary
PSI Holding Group, Inc	Fellow Subsidiary
Zensar Technologies IM Inc.	Fellow Subsidiary
Zensar Technologies IM B.V.	Fellow Subsidiary
Professional Access Limited	Fellow Subsidiary
Zensar (Africa) Holdings (Pty) Ltd	Fellow Subsidiary
Zensar (South Africa) Proprietary Limited	Fellow Subsidiary
Foolproof Limited	Fellow Subsidiary
Knit Limited	Fellow Subsidiary
Foolproof (SG) Pte Limited	Fellow Subsidiary
Keystone Logic Inc.	Fellow Subsidiary
Zensar Info Technologies (Singapore) Pte. Ltd.	Fellow Subsidiary
Indigo Slate Inc	Fellow Subsidiary
Zensar IT Services Limited	Fellow Subsidiary
Zensar Information Technologies Limited *	Fellow Subsidiary
Keystone Logic Mexico, S. DE R.L. DE C.V	Fellow Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V	Fellow Subsidiary
Zensar Software Technologies Limited *	Fellow Subsidiary
Cynosure Inc UK Limited **	Fellow Subsidiary

** till January 23, 2019*
*** till November 13, 2018*

(ii) Key Management Personnel

Name	Designation
Anand Upnal	Director

(iii) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

Name	Nature
Alamance IT Solutions LLP	Entities where key management personnel have significant influence

(iv) Entities controlled or jointly controlled by the key management personnel of the company:

None

Cynosure APAC Pty.Ltd
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

21(b) Related party disclosures

B Transactions with Related Parties

Description of the Nature of the Transaction	Volume of transactions during the year ended		Amount Outstanding as on			
			March 31, 2019		March 31, 2018	
	March 31, 2019	March 31, 2018	Receivable	Payable	Receivable	Payable
A. Receipt of Software and other services						
1. Holding Company:						
Cynosure Inc.	-	242	-	-	-	-
2 . Receipt of Other Services						
Cynosure Interface Services Private Ltd	99	-	-	-	-	-
Total Receipt of Software & other services	**99**	**242**	**-**	**-**	**-**	**-**
B. Reimbursement of expenses by the Company (Payable)						
Zensar Technologies Limited	0	-	-	0	-	-
Total Reimbursement of expenses by the Company	**0**	**-**		**0**		**-**
C. Reimbursement of expenses to the Company (Receivable)						
Cynosure Inc	22	-	-	-	-	-
Total Reimbursement of expenses to the Company	**22**	**-**	**-**		**-**	
E. Remuneration to Key Management Personnel						
Anand Upnal	-	42	-	-	-	-

Cynosure APAC Pty.Ltd
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in AUD Thousands unless otherwise stated)

22 Earnings per share

Particulars	**For the Year ended March 31, 2019**	**For the Year ended March 31, 2018**
Profits attributable to equity shareholders (in AUD thousands)	(103)	126
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	100	100
Basic EPS (In AUD)	**(1,025)**	**1,258**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	100	100
Effect of dilutive issue of stock options (In no's)	-	-
Weighted average number of equity shares outstanding for diluted EPS (In no's)	100	100
Diluted EPS (In AUD)	**(1,025)**	**1,258**

23 Segment reporting

The Company is primarily engaged in providing implementation services to Property and Casualty (P&C) insurance carriers. As the company is engaged in only one operating segment, the balance sheet as at 31st March, 2019 and Statement of Profit and Loss for the year pertain to only one operating segment.

24 The financials as at end for the year ended March 31, 2018 are unaudited.

For and on behalf of the Board of Directors of
Cynosure APAC Pty.Ltd

Director

Place:
Date: