Cynosure Interface Services Private Limited

Balance Sheet

(All amounts in INR Thousands, unless otherwise stated)

Balance Sheet as at	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assets				
Non-current assets				
(a) Property, plant and equipment	4(a)	803	1,870	1,762
(b) Other intangible assets	4(b)	103	356	14
(c) Financial assets				
i. Other financial assets	5 (d)	880	4,143	3,566
(d) Deferred tax assets (net)	6	361	198	80
(e) Income tax assets (net)	14 (a)	1,515	985	-
Total Non-current assets		3,662	7,552	5,422
Current assets				
(a) Financial assets				
i. Trade receivables	5 (a)	5,263	7,805	-
ii. Cash and cash equivalents	5 (b)	713	1,261	6,713
iv. Other balances with banks	5 (c)	31,304	-	-
iii. Other financial assets	5 (e)	84	-	-
(b) Other current assets	7	7,452	4,002	1,662
Total current assets		44,816	13,068	8,375
Total assets		**48,478**	**20,620**	**13,797**
Equity and liabilities				
Equity				
(a) Equity share capital	8	1,000	1,000	1,000
(b) Other equity				
i. Reserves and surplus	9 (a) & 9 (b)	32,220	12,029	5,057
Total equity		33,220	13,029	6,057
Liabilities				
Non-current liabilities				
(a) Employee benefit obligations	12	671	-	183
Total non-current liabilities		671	-	183
Current liabilities				
(a) Financial liabilities				
i. Trade payables	11	4,596	1,444	822
ii. Other financial liabilities	10	8,031	4,606	4,246
(b) Employee benefit obligations	12	397	402	201
(c) Other current liabilities	13	1,563	1,139	957
(d) Income tax liabilities (net)	14 (a)	-	-	1,331
Total current liabilities		14,587	7,591	7,557
Total liabilities		**15,258**	**7,591**	**7,740**
Total equity and liabilities		**48,478**	**20,620**	**13,797**

See accompanying notes to the financial statements

In terms of our report attached

Cynosure Interface Services Private Limited
Statement of Profit and Loss
(All amounts in INR 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	15	134,162	71,934
(b) Other income	16	1,623	160
Total income		**135,785**	**72,094**
Expenses			
(a) Employee benefits expense	17	92,459	46,114
(b) Subcontracting costs		1,388	53
(c) Finance costs	18	4	207
(d) Depreciation and amortisation expense	19	1,175	1,874
(e) Other expenses	20	11,277	14,578
Total expenses		**106,303**	**62,826**
Profit / Loss) before tax		**29,482**	**9,268**
Tax expense	21		
(a) Current tax		9,165	2,401
(b) Deferred tax		(163)	(119)
Total tax expense		9,002	2,282
Profit / (Loss) for the year		**20,480**	**6,986**
Other comprehensive income			
I) (a) **Items that will not be reclassified to profit or loss**			
- Remeasurements of defined benefit plans		(389)	(14)
(b) Income tax relating to items that will not be reclassified to profit or loss		100	-
		(289)	(14)
II) (a) **Items that will be reclassified to profit or loss**		-	-
		-	-
Other comprehensive income for the year, net of tax		(289)	**(14)**
Total comprehensive income / (Loss) for the year		**20,191**	**6,972**
Earnings per share - [nominal value per share Rs. 10 /- (March 31, 2018: Rs. 10/-)]			
- Basic and diluted		205	70

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

Cynosure Interface Services Private Limited
Statement of Cash Flows for year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash flow from operating activities				
Profit before taxation		29,482		9,268
Adjustments for:				
Depreciation and amortisation	1,175		1,874	
Interest income	(1,334)		(154)	
Finance costs	4		207	
(Profit) / loss on sale of tangible assets (net)	7		91	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	(148)	-	2,018
Operating profit before working capital changes		**29,334**		**11,286**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	3,263		(577)	
(Increase)/ decrease in trade receivables	2,542		(7,805)	
(Increase)/ decrease in other current financial assets	(52)		-	
(Increase)/ decrease in other current assets	(3,625)		(2,354)	
Increase/ (decrease) in non current employee benefit obligations	671		(183)	
Increase/ (decrease) in trade payables	3,152		621	
Increase/ (decrease) in other current financial liabilities	3,425		360	
Increase/ (decrease) in current employee benefit obligations	(5)		201	
Increase/ (decrease) in other current liabilities	424		183	
		9,795		(9,554)
Cash generated from operations		**39,129**		**1,732**
Income taxes paid (net of refunds)		(9,595)		(4,717)
Net cash inflow from operating activities		**29,534**		**(2,985)**
Cash flow from investing activities				
Sale of tangible assets	92		-	
Purchase of tangible assets	(168)		(1,847)	
Purchase of intangible assets	-		(568)	
Interest income on bank deposits	1,302		154	
Deposits made during the year	(31,304)		-	
Net cash used in investing activities		**(30,078)**		**(2,261)**
Cash flow from financing activities				
Finance costs	(4)		(207)	
Net cash used in financing activities		**(4)**		**(207)**
Net increase/(decrease) in cash and cash equivalents		**(548)**		**(5,453)**
Cash and cash equivalents at the beginning of the financial year		1,261		6,713
Cash and cash equivalents at the end of the financial year		713		1,261

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, 2019	As at March 31, 2018
Balances with banks	713	1,261
Total	**713**	**1,261**

See accompanying notes to the financial statements

In terms of our report attached

Cynosure Interface Services Private Limited

Statement of changes in equity

(All amounts in INR Thousands, unless otherwise stated)

(a) Equity share capital

Balance as at April 1, 2017	**Changes in equity share capital during the year**	**Balance as at March 31, 2018**
100	-	100
Balance as at April 1, 2018	**Changes in equity share capital during the year**	**Balance as at March 31, 2019**
100	-	100

(b) Other equity

Particulars	**Notes**	**Reserves and Surplus**	**Total**
		Retained earnings	
Balance as at April 1, 2017		5,057	**5,057**
Profit for the year	9 (b)	6,986	**6,986**
Remeasurements of defined benefit plans (net of tax)	10 (c)	(14)	(14)
Total comprehensive income for the year		**6,972**	**6,972**
Balance as at March 31, 2018		**12,029**	**12,029**
Profit for the year	9 (b)	20,480	**20,480**
Remeasurements of defined benefit plans (net of tax)	10 (c)	(289)	(289)
Total comprehensive income for the year		**20,191**	**20,191**
Balance as at March 31, 2019		**32,220**	**32,220**

See accompanying notes to the financial statements

In terms of our report attached

Cynosure Interface Services Private Limited

Notes accompanying the financial statements as at and for the year ended March 31, 2019

1. Corporate Information

Cynosure Interface Services Private Limited (the "Company") was incorporated on December 1, 2014 under the provision of the Compnies Act, 2013. The Compnay is engaged in the Business of Software and IT related activities.

The financial statements were authorised for issue in accordance with a resolution of the directors on ………………………………

2. Summary of significant accounting policies

a. Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated March 31, 2016] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Compnaies Act, 2013. Based on the nature of services and the time between the rendering of service and their realisation in cash and cash equivalent, the company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

Effective April 1, 2017, the company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101 ' Frist Time Adoption of Accounting Standards with April 1, 2017 as the transition date. The transition was carried out from India Accounting principles generally accepted in India as prescribed under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Accounts for the previous year March 31, 2018 were audited by previous Auditors - Yogeesha & Co., Chartered Accountants Bangalore.

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto two decimal points to the nearest Million (as per the requirement of the schedule III), unless otherwise stated.

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;
- defined benefit plans - plan assets measured at fair value;
- share- based payments and
- assets and liabilities arising in a business combination

(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 US Dollars (USD), 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), except when deferred in other comprehensive income as qualifying cash flow hedges.

- 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 revenue is primarly derived from softwared development, Staffing services and related services and from the licensing of software products. Arrangements with customers for software development and related servies are either on a fixed price, fixed- time frame or on a time-and- material basis and Staffing services revenue has been recognised as cost plus basis.

(i) Time and material contracts:

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

(ii) Fixed- price contracts:

Revenues from fixed-price contracts, including IT Infrastructure development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

(iii) 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. On account of adoption of Ind AS 115, unbilled revenues is nil as at December 31, 2018 has been considered as a Non financial asset.

e. Income Tax

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

(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.

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. Leases

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

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee:

Finance Lease: Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

g. 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 identificable 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.

h. 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.

i. 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.

j. 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. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through 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 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.

k. 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, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

(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.

l. 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.

m. Property, plant and equipment

(i) Recognition and measurement

Property, Plant and Equipment are stated at historical cost less Depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probalble that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a seperate asset is derecognized when replaced. All other repairs and maintainance are recognized in profit and loss during the reporting period, in which they are incurred.

Depreciation methods, estimated useful lives and residual Value

Depreciation method is changed from Written down value method to Straight Line method during the year. Refer note 4(a)(ii).

(ii) Depreciation

The Company depreciates property, plant and equipment on a straight-line basis as per the useful lives. Useful lives of assets have been determined based on technical evaluation done by the management's expert:

Class of asset	Useful life as followed by the Company
Data Processing Equipments	4 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years

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.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

n. Intangible Assets

(i) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and to use or sell of the asset, adequate resources to complete the development are available and the expenditure attributable to the said assets during its development can be measured reliably.

An item of Intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Amortisation periods and methods: Intangible assets are amortised on straight line basis over their estimated useful lives which are as follows:

Class of asset	Useful life considered
Softwares (Acquired)	1-5 years
Technical know-how (Internally generated)	3-5 years

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

o. 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.

p. 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 Social Security Fund. 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.

Provident Fund:

Employees receive benefits from a provident fund, which is a defined contribution plan. The employer and employees each make periodic contributions to the plan. Provident fund contributions are made to the Regional Provident Fund Commissioner..
These contributions to superannuation and family pension funds are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to Profit or Loss during the period when employee provides service.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Gratuity plan provides for a lump sum payment to eligible employees, at retirement, death, incapacitation or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes.
The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.
Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Profit or Loss in the year in which they arise.

(iii) 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.

q. 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.

r. 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.

s. 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.

t. Recent accounting pronouncements

a **Standards issued but not yet effective**

On March 30,2019, Ministry 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.

b **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The company is still evaluation the impact of this amendment on the financial statements.

c **Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.
The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

d **Amendment to Ind AS 19 – plan amendment, curtailment or settlement-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.
The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is still evaluating the impact of this amendment on the financial statements.

3. 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:

a 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.

b 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).

c 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).

d 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 Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

4(a) Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount				
As at April 1, 2017	160	296	3,484	3,940
Additions	-	234	1,613	1,847
Disposals	160	33	61	254
Gross carrying amount as at March 31, 2018	**-**	**497**	**5,036**	**5,533**
Accumulated Depreciation				
As at April 1, 2017	71	57	2,050	2,178
Depreciation during the year	23	188	1,437	1,648
Disposals/Adjustments	94	20	49	163
Accumulated depreciation as at March 31, 2018	**-**	**226**	**3,438**	**3,663**
Net carrying amount as at March 31, 2018	**-**	**271**	**1,598**	**1,870**

Particulars	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount				
As at April 1, 2018	-	497	5,036	5,533
Additions	-	-	168	168
Disposals/Adjustments	-	497	401	898
Gross carrying amount as at March 31, 2019	**-**	**(0)**	**4,803**	**4,803**
Accumulated Depreciation				
As at April 1, 2018	-	226	3,438	3,664
Depreciation during the year	-	16	906	922
Disposals	-	242	344	586
Accumulated depreciation as at March 31, 2019	**-**	**-**	**4,000**	**4,000**
Net carrying amount as at March 31, 2019	**-**	**(0)**	**803**	**803**

(i) Contractual obligations:
There are no contractual commitments for the acquisition of property, plant and equipment as on March 31, 2019 and March 31, 2018.

(ii) Change in method of depreciation
The Company has changed the method of depreciation from Written down value method to Straight Line method. This change has resulted in the increase in profits of the Company for the year of Rs.1,38 thousands. The amount of the effect in future periods is not disclosed because estimating it is impracticable.

(All amounts in INR Thousands, unless otherwise stated)

4(b) Other Intangible assets

The following tables present the reconciliation of changes in carrying value of Other intangible assets :

Particulars	**Softwares (Acquired)**	**Total Other intangible assets**
Gross carrying amount		
As at April 1, 2017	69	**69**
Additions	568	**568**
Gross carrying amount as at March 31, 2018	**637**	**637**
Accumulated Amortisation		
As at April 1, 2017	55	**55**
Amortisation charge for the year	226	**226**
Disposals	-	-
Accumulated amortisation as at March 31, 2018	**281**	**281**
Net carrying amount as at March 31, 2018	**356**	**356**

Particulars	**Softwares (Acquired)**	**Total Other intangible assets**
Gross carrying amount	**637**	**637**
As at April 1, 2018	637	**637**
Additions	-	**-**
Gross carrying amount as at March 31, 2018	**637**	**637**
Accumulated Amortisation		
As at April 1, 2018	281	**281**
Amortisation charge for the year	253	**253**
Accumulated amortisation as at March 31, 2019	**534**	**534**
Net carrying amount as at March 31, 2019	**103**	**103**

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

5(a) Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Considered good	5,263	7,805	-
Credit impaired	-	-	-
Less: Allowance for credit loss	-	-	-
Total receivables (Refer Note 25)	**5,263**	**7,805**	**-**
Current portion	5,263	7,805	-
Non- current portion	-	-	-

Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member: March 31, 2019 Rs. NIL (March 31, 2018 Rs. NIL)

(b) Cash and cash equivalents

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Balances with banks :			
- In current accounts	713	1,261	6,713
Total	**713**	**1,261**	**6,713**

(c) Other balances with banks

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2017**
Deposits having original maturity of more than three months	31,304	-	-
Total	**31,304**	**-**	**-**

(d) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Security deposits	880	4,143	3,566
Total	**880**	**4,143**	**3,566**

(e) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Interest accrued on bank deposits	32	-	-
Contractually reimbursable expenses (Refer Note 25)			
Considered good	52	-	-
Total	**84**	**-**	**-**

(All amounts in INR Thousands, unless otherwise stated)

6 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	As at April 1, 2017
The major components of the deferred tax asset are			
Depreciation	82	61	-
Provision for expenses allowable on payment basis	279	137	158
	361	**198**	**158**
The major components of the deferred tax liability are			
Depreciation	-	-	78
	-	**-**	**78**
Net deferred tax asset / (liability)	**361**	**198**	**80**

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	Depreciation	Total
As at April 1, 2017	**158**	**-**	**158**
(Charged)/credited:			
- to statement of profit and loss	(21)	61	**40**
- to other comprehensive income	-	-	**-**
As at March 31, 2018	**137**	**61**	**198**
(Charged)/credited:			
- to statement of profit and loss	142	21	**163**
- to other comprehensive income	-	-	**-**
As at March 31, 2019	**279**	**82**	**361**

(ii) Movement in deferred tax liability

Particulars	Provision for expenses allowable on payment basis	Depreciation	Total
As at April 1, 2017	**-**	**78**	**78**
Charged/ (credited):			
- to statement of profit and loss	-	(78)	**(78)**
- to other comprehensive income	-	-	**-**
As at March 31, 2018	**-**	**-**	**-**
Charged/ (credited):			
- to statement of profit and loss	-	-	**-**
- to other comprehensive income	-	-	**-**
As at March 31, 2019	**-**	**-**	**-**

(All amounts in INR Thousands, unless otherwise stated)

7 Other Current assets
(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Advances other than capital advances:			
- advances to employees	-	5	-
- advances to suppliers	30	-	-
Others:			
- Prepaid expenses	787	417	281
- Excess of gratuity fund over defined benefit obligation	234	235	-
- Balance with government authorities	5,923	3,334	1,381
- Others	478	11	-
Total	**7,452**	**4,002**	**1,662**

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

8 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Authorised: 1,00,000 equity shares of Rs. 10/- each (1,00,000 shares of Rs. 10/- each at March 31, 2018) (1,00,000 shares of Rs. 10/- each at April 1, 2017)	1,000	1,000	1,000
Total	**1,000**	**1,000**	**1,000**
Issued, subscribed and Paid up : 1,00,000 equity shares of Rs. 10/- each (1,00,000 shares of Rs. 10/- each at March 31, 2018) (1,00,000 shares of Rs. 10/- each at April 1, 2017)	1,000	1,000	1,000
Total	**1,000**	**1,000**	**1,000**

(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		As at April 1, 2017	
	Nos	Amount	Nos	Amount	Nos	Amount
At the beginning of the year	100,000	1,000	100,000	1,000	100,000	1,000
Outstanding at the end of the year	**100,000**	**1,000**	**100,000**	**1,000**	**100,000**	**1,000**

(ii) Terms/rights attached to equity shares

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		As at April 1, 2017	
	%	Number of shares	%	Number of shares	%	Number of shares
Zensar Technologies Ltd.,	99.99%	99,999	-	-	-	-
Ajay Bhandari	0.01%	1	-	-	-	-
Annapooran S Upanal	-	-	30%	30,000	30%	30,000
Suren G Ijeri	-	-	50%	50,000	50%	50,000
Cynosure INC	-	-	20%	20,000	20%	20,000

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding March 31, 2019 - Nil

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

9 (a) Reserves and surplus:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Retained earnings	32,220	12,029	5,057
Total reserves and surplus	**32,220**	**12,029**	**5,057**

9 (b) 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	12,029	5,057
Add: Profit / (Loss) for the year	20,480	6,986
Add / (less) items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of defined benefit plans (net of tax)	(289)	(14)
Balance as at the end of the year	**32,220**	**12,029**

(All amounts in INR Thousands, unless otherwise stated)

10 Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current			
Accrued salary and benefits	8,029	4,606	4,246
Others	2	-	-
Total	**8,031**	**4,606**	**4,246**

11 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current			
Trade payables (refer note below)	4,596	1,444	822
Total	**4,596**	**1,444**	**822**

Note: The Company has compiled this information based on the current information in its possession. As at March 31, 2019, no supplier has intimated the Company about its status as a Micro or Small Enterprise or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006. During the year there is no interest charged on account of delay of payment and no interest is outstanding as on year end. Balance of MSME as at 31st March, 2019 is Rs. NIL.

12 Employee benefit obligations

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Non current			
Provision for compensated absences	671		183
Total	**671**	**-**	**183**
Current			
Provision for compensated absences	397	402	-
Provision for gratuity (i)	-	-	201
Total	**397**	**402**	**201**

(All amounts in INR Thousands, unless otherwise stated)

(i) Defined benefit plans:

a **Gratuity -** The company provides for gratuity for employees in accordance with the gratuity scheme of the Company. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net liability amount**
As at April 1, 2017	**209**	**8**	**201**
Current service cost	242	-	242
Past service cost	1	1	0
Interest expense / (income)	14	-	14
Total amount recognised in statement of profit and loss	**257**	**1**	**256**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	30	(30)
(Gain) / loss from change in financial assumptions	(10)	-	(10)
Experience (gains) / losses	55	-	55
Total amount recognised in Other Comprehensive Income	**45**	**30**	**15**
Contributions by the company	**-**	706	(706)
As at March 31, 2018	**511**	**745**	**(234)**
Current service cost	387	-	387
Past service cost	141	-	141
Interest expense / (income)	36	52	(16)
Total amount recognised in profit or loss	**564**	**52**	**512**
Remeasurements			
Return on plan assets	-	32	(32)
(Gain) / loss from change in demographic assumptions	602	-	602
(Gain) / loss from change in financial assumptions	(449)	-	(449)
Experience (gains) / losses	268	-	268
Total amount recognised in Other Comprehensive Income	**421**	**32**	**389**
Contributions by the company	**-**	901	(901)
As at March 31, 2019	**1,496**	**1,730**	**(234)**

The net liability disclosed above relates to funded plans. The Company intends to contribute in line with the recommendations of the fund administrator and the actuary.

b The net liability disclosed above relates to funded and unfunded plans are as follows:

Plan type	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Present value of obligation	1,496	511	209
Fair value of plan assets	1,730	745	8
Total (liability)/ asset	**(234)**	**(234)**	**201**

c As at March 31, 2019 and March 31, 2018, plan assets were fully invested in insurer managed funds.

(All amounts in INR Thousands, unless otherwise stated)

d Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

Asset Volatility: The Plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in fixed income securities with high grades. These are subject to interest rate risk.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the process used to manage its risks from previous periods.

e The Company expects to contribute Rs 1,305 thousands (March 31, 2018 Rs. 152 thousands) to the defined benefit plan during the next annual reporting period.

Weighted average duration of the Projected Benefit Obligation is 19 Years (March 31, 2018 - 7 Years)

f The expected benefits are based on the same assumptions used to measure the Company's benefit obligations as of March 31, 2019.

Estimated benefit payments from the fund for year ending	**As at March 31, 2019**	**As at March 31, 2018**
March 31, 2019	N.A	1
March 31, 2020	3	1
March 31, 2021	3	57
March 31, 2022	22	78
March 31, 2023	48	129
March 31, 2024	61	N.A
Thereafter	386	350

g The principal assumptions used for the purpose of actuarial valuation are as follows:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
India		
Discount rate *	7.76%	6.93%
Expected rate of return on plan assets **	7.76%	6.93%
Salary escalation rate ***	7.00%	15.00%
Rate of employee turnover		
-For services 4 years and below	13.00%	30.00%
-For services 5 years and above	3.00%	

* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

** The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

*** The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

h **Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
- 1% increase in discount rate	-14.69%	-5.35%
- 1% decrease in discount rate	18.16%	5.83%
- 1% increase in salary escalation rate	18.11%	5.33%
- 1% decrease in salary escalation rate	-14.91%	-5.02%
- 1% increase in rate of employee turnover	-1.98%	-5.12%
- 1% decrease in rate of employee turnover	1.75%	5.42%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(All amounts in INR Thousands, unless otherwise stated)

12 (ii) Defined contribution plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Contribution to Provident Fund	3,317	2,158
Total	**3,317**	**2,158**

13 Other Current liabilities

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Advance from customers	-	415	270
Statutory dues	1,563	724	687
Total	**1,563**	**1,139**	**957**

14 (a) Income taxes

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Income tax assets (net)	1,515	985	-
Income tax liabilities (net)	-	-	(1,331)
Net current income tax assets / (liability)	**1,515**	**985**	**(1,331)**

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

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Net current income tax asset / (liability) at the beginning	985	(1,331)	-
Income tax paid	9,595	4,717	500
Current income tax expense (refer note 21 (i))	9,165	2,401	1,832
Adjustment for current tax of prior periods (refer note 21 (i))	-	-	1
Income tax on other comprehensive income (refer note 21 (iii))	100	-	-
Net current income tax asset / (liability) at the end	**1,515**	**985**	**(1,331)**

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

15 Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Software development and allied services	134,162	71,934
Total	**134,162**	**71,934**

16 Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from financial assets - Carried at amortised cost		
- On deposits with banks	1,304	154
- Others	30	-
Miscellaneous Income	289	6
Total	**1,623**	**160**

17 Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	87,113	40,973
Contribution to provident and other funds (Refer note 12(i))	3,912	2,452
Staff welfare expenses	1,434	2,689
Total	**92,459**	**46,114**

18 Finance Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on others	-	204
Bank charges	4	3
Total	**4**	**207**

19 Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	922	1,648
Amortisation of Intangible Assets	253	226
Total	**1,175**	**1,874**

20 Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	2,132	7,421
Rates and taxes	72	0
Electricity and power	101	440
Travelling and conveyance	246	909
Recruitment expenses	141	100
Repairs and maintenance to :		
-Data Processing Equipments	127	924
-Building	649	935
-Others	0	-
Insurance	4	2
Legal and professional charges	7,077	2,262
Payments to auditors (refer note 22 (b) below)	-	-
Communication expenses	312	970
General Office expenses	32	91
Loss on sale of fixed assets (net)	7	91
Miscellaneous expenses	419	26
Net foreign exchange gain / (loss)	(42)	407
Total	**11,277**	**14,578**

(All amounts in INR Thousands, unless otherwise stated)

21 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

(i)

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Income tax expense		
Current Tax		
Current tax on profits for the year	9,165	2,401
Adjustment for current tax of prior periods	-	-
Total current tax expense	**9,165**	**2,401**
Deferred tax		
Decrease / (increase) in deferred tax assets	(163)	(119)
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expense / (benefit)	**(163)**	**(119)**
Income tax expense	**9,002**	**2,283**

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

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Profit before taxes	29,482	9,268
Enacted income tax rate in India	27.82%	25.75%
Computed expected tax expenses	**8,202**	**2,387**
Effect of income exempt from tax	-	(38)
Effect of non deductible expenses	528	58
Others	300	(124)
	9,030	**2,283**

(iii) Tax on the amounts recognised directly in OCI:

Particulars	**Year ended March 31, 2019**		**Year ended March 31, 2018**	
	Income tax	Deferred tax	Income tax	Deferred tax
Remeasurements of post employment benefit obligations	100	-	-	-
Total	**100**	**-**	**-**	**-**

(iv) Changes in tax rate - The applicable Indian statutory tax rate for the financial year 2018-19 is 27.82% and financial year 2017-18 is 25.75%

(All amounts in INR Thousands, unless otherwise stated)

22 Fair value measurements

Financial instruments by category:

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial assets												
Trade receivables	-	-	5,263	5,263	-	-	7,805	7,805	-	-	-	-
Cash and cash equivalents	-	-	713	713	-	-	1,262	1,262	-	-	6,713	6,713
Other bank balances	-	-	31,304	31,304	-	-	-	-	-	-	-	-
Security deposits	-	-	880	880	-	-	4,143	4,143	-	-	3,566	3,566
Others	-	-	84	84	-	-	-	-	-	-	-	-
Total financial assets	**-**	**-**	**38,244**	**38,244**	**-**	**-**	**13,210**	**13,210**	**-**	**-**	**10,279**	**10,279**
Financial liabilities												
Trade payables	-	-	4,596	4,596	-	-	1,443	1,443	-	-	822	822
Other financial liabilities	-	-	8,031	8,031	-	-	4,606	4,606	-	-	4,246	4,246
Total financial liabilities	**-**	**-**	**12,627**	**12,627**	**-**	**-**	**6,049**	**6,049**	**-**	**-**	**5,068**	**5,068**

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value, and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(ii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1.Trade receivables
2.Cash and cash equivalent
3.Other bank balances
4.Security deposits
5.Unbilled revenue
6.Trade payables
7.Employee dues
8.Other Payables

(All amounts in INR Thousands, unless otherwise stated)

23 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 uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. 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.

(a) Market Risk

(i) Foreign currency risk

aa The Company's exposure to foreign currency risk as of March 31, 2019 expressed in INR, is as follows:

Particulars	As at March 31, 2019				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	-	-	-	-	-
Unbilled revenue	-	-	-	-	-
Financial liabilities					
Trade payables	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Employee benefit obligations	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net assets / (liabilities)	**-**	**-**	**-**	**-**	**-**

ab The Company's exposure to foreign currency risk as of March 31, 2018 expressed in INR, is as follows:

Particulars	As at March 31, 2018				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	120,000	-	-	-	120,000
Unbilled revenue	-	-	-	-	-
Financial liabilities					
Trade payables	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Employee benefit obligations	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net assets / (liabilities)	**120,000**	**-**	**-**	**-**	**120,000**

ac The Company's exposure to foreign currency risk as of April 1, 2017 expressed in INR, is as follows:

Particulars	As at April 1, 2017				
	USD	GBP	ZAR	Other currencies	Total
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	-	-	-	-	-
Unbilled revenue	-	-	-	-	-
Financial liabilities					
Trade payables	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Employee benefit obligations	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net assets / (liabilities)	**-**	**-**	**-**	**-**	**-**

ad Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every percentage point appreciation/depreciation in the exchange rate, it may affect the Company's incremental operating margins respectively.

- INR/USD by approximately and 0.48% ,
- INR/ZAR by approximately and 0.06% ,
- INR/GBP by approximately and 0.07%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

(b) Credit risk

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

(All amounts in INR Thousands, unless otherwise stated)

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Revenue from top customer	56.00%	100.00%	100.00%
Revenue from top five customers	100.00%	100.00%	

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was NIl.

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Balance at the beginning of the year	**-**	**-**
Allowance for credit loss	-	-
Write offs	-	-
Balance at the end of the year	**-**	**-**

bc Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(c) 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, 2018, cash and cash equivalents are held with major banks and financial institutions.

ca 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.

Particulars	**As at March 31, 2019**				
	Contractual cash flows				
	Carrying value	**Less than 1 year**	**1-2 years**	**2-4 years**	**Total**
Trade payables	4,596	4,596	-	-	4,596
Other financial liabilities	8,031	8,031	-	-	8,031

Particulars	**As at March 31, 2018**				
	Contractual cash flows				
	Carrying value	**Less than 1 year**	**1-2 years**	**2-4 years**	**Total**
Trade payables	1,444	1,444	-	-	1,444
Other financial liabilities	4,606	4,606	-	-	4,606

24 Capital management

(a) Risk management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders.

The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

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 INR Thousands, unless otherwise stated)

25 Related party disclosures

A List of related parties

(i) List of related parties

Name	Country of Incorporation	Relationship
Zensar Technologies Limited *	India	Holding Company
Alamance IT Solutions LLP	India	Entity in which KMP has significant influence
Cynosure Inc.	United States of America	Fellow Subsidiary
Cynosure APAC Pty Ltd	Australia	Fellow Subsidiary
Zensar Technologies (Singapore) Pte. Limited *	Singapore	Fellow Subsidiary
Zensar Technologies (UK) Limited *	United Kingdom	Fellow Subsidiary
Zensar Technologies, Inc. *	United States of America	Fellow Subsidiary
Zensar Information Technologies Limited (upto 23rd January 2019) *	India	Fellow Subsidiary
Zensar Software Technologies Limited (upto 23rd January 2019) *	India	Fellow Subsidiary
Zensar IT Services Limited *	India	Fellow Subsidiary
Zensar Advanced Technologies Limited (refer note (iii) below) *	Japan	Fellow Subsidiary
PSI Holding Group, Inc *	United States of America	Fellow Subsidiary
Zensar Technologies IM Inc. *	United States of America	Fellow Subsidiary
Zensar Technologies IM B.V. *	Netherlands	Fellow Subsidiary
Professional Access Limited *	United States of America	Fellow Subsidiary
Foolproof (UK) Limited *	United Kingdom	Fellow Subsidiary
Knit Limited *	United Kingdom	Fellow Subsidiary
Foolproof (SG) Pte Limited *	Singapore	Fellow Subsidiary
Keystone Logic Inc. *	United States of America	Fellow Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited *	Singapore	Fellow Subsidiary
Zensar (South Africa) Proprietary Limited *	South Africa	Fellow Subsidiary
Indigo Slate Inc. (refer note (ii) below) *	United States of America	Fellow Subsidiary
Keystone Logic Mexico, S. DE R.L. DE C.V. *	Mexico	Fellow Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V. *	Mexico	Fellow Subsidiary

* refer note (i) below

Notes:

(i) Zensar Technologies Limited has entered into a Share Purchase Agreement dated March 21, 2018 to acquire 100% equity in Cynosure Interface Solutions Private Limited, an Indian IT company. Accordingly, the Company is a subsidiary of Zensar Technologies Limited w.e.f. April 13, 2019. Consequently, all the group companies of Zensar Technologies Limited are related parties of the Company w.e.f. that date.

(ii) Zensar Technologies Limited, through its subsidiary, Zensar Technologies Inc. entered into a Share Purchase Agreement dated July 27, 2018 to acquire 100% equity in Indigo Slate, Inc ("Indigo Slate"), a USA based IT company by virtue of which Indigo Slate Inc became 100% subsidiary of Zensar Technologies Inc.

(iii) Zensar Advanced Technologies Limited (company's 100% subsidiary in Japan), has been voluntarily liquidated as per the local laws in Japan and writted off from the books of accounts of Zensar Technologies Limited during the year.

(ii) Key Management Personnel (KMP)

Name	Designation	Period
Rajiv Mundhra	Director	W.e.f. April 17, 2018
Ajay Bhandari	Director	W.e.f. April 17, 2018
Pramila Kalive	Director	W.e.f. April 17, 2018
Ravi Hiremath	Director	Ceased to be a director effective from December 12, 2017
Suren Ijery	Director	Ceased to be KMP w.e.f. April 17, 2018
Annapoorna S Upnal	Director	Ceased to be KMP w.e.f. April 17, 2018
Anand S Upnal	Director	Ceased to be a director effective from September 20, 2017

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

Name	Nature
Cynosure INC Cynosure APAC Pty Ltd., Alamance IT Solutions LLP	Company in which Director/ Relatives of Directors having substantial interest

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

B Transactions with Related Parties

Sr. No	Particulars	Volume of transactions during		Amount outstanding as on			
		March 31, 2019	March 31, 2018	31-Mar-19		31-Mar-18	
				Receivable	Payable	Receivable	Payable
A.	**Rendering of Software Services**						
(i)	Cynosure Inc.	53,566	71,934	-	-	7,805	-
(ii)	Cynosure APAC Pty Ltd.	4,945	-	-	-	-	-
(iii)	Zensar Technologies Limited	75,651	-	5,263	-	-	-
	Total of rendering of Software Services	**134,162**	**71,934**	**5,263**	**-**	**7,805**	**-**
B.	**Sale of Property, Plant and Equipment**						
(i)	Zensar Technologies Limited	52	-	52	-	-	-
(ii)	Allamance IT Solutions LLP	254	-	162	-	-	-
	Total of sale of Property, Plant and Equipment	**306**	**-**	**214**	**-**	**-**	**-**
C.	**Reimbursement of expenses incurred**						
(i)	Anand S Upnal	49	1,046	-	-	-	-
(ii)	Ravi B Hiremath	1,000	179	-	-	-	-
(iii)	Annapooran S Upnal	-	102	-	-	-	-
(iv)	Alamance IT Solutions LLP	9,715	7,703	318	-	-	58
(v)	Zensar Technologies Limited	21,301	-	-	4,220	-	-
(vi)	Cynosure Inc.	24	-	-	24	-	-
	Total reimbursement of expenses incurred (Net)	**32,089**	**9,030**	**318**	**4,244**	**-**	**58**

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

C. Compensation of Key management personnel #

		For the Year ended March 31, 2019						
	Particulars	**Rajiv Mundhra**	**Ajay Bhandari**	**Pramila Kalive**	**Ravi Hiremath**	**Suren Ijery**	**Annapoorna S Upnal**	**Anand S Upnal**
1	Short Term Benefits	-	-	-	-	-	-	-
2	Post-Employment Benefits	-	-	-	-	-	-	-
3	Long-term Employee benefits	-	-	-	-	-	-	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-	-
	Total of Compensation of Key management personnel#	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Outstanding as on March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**

		For the Year ended March 31, 2018						
	Particulars	**Rajiv Mundhra**	**Ajay Bhandari**	**Pramila Kalive**	**Ravi Hiremath**	**Suren Ijery**	**Annapoorna S Upnal**	**Anand S Upnal**
1	Short Term Benefits	-	-	-	-	-	-	-
2	Post-Employment Benefits	-	-	-	-	-	-	-
3	Long-term Employee benefits	-	-	-	245	-	278	-
4	Prequisite value of Employee Stock options	-	-	-	-	-	-	-
	Total of Compensation of Key management personnel#	**-**	**-**	**-**	**245**	**-**	**278**	**-**
	Outstanding as on March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**

doesn't include the provision for Gratuity and Leave Encashment as these are provided at the company level.

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

26 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax (in Rs.)	20,479,660	6,986,298
Basic and Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	100,000	100,000
Basic and Diluted EPS (Rs.)	**205**	**70**

27 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

In its transition from previous GAAP to Ind AS, the Company has also availed mandatory exceptions in accordance with Ind AS 101. An explanation of how this transition has affected the company's financial performance and cash flows is set out in the following tables and notes.

(A) Mandatory exceptions

(i) Estimates

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model;

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Assessment of contracts for Lease

Appendix C to Ind AS 17, Leases requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all relevant arrangements for leases based on conditions in place as at the date of transition.

(iv) Classification and measurement of financial assets

As required under Ind AS 101, the Company has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

(B) Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:
– equity as at April 1, 2017;
– equity as at March 31, 2018;
– total comprehensive income for the year ended March 31, 2018; and

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

Cynosure Interface Services Private Limited
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in INR Thousands, unless otherwise stated)

(i) Reconciliation of equity:

Particulars	Note	As at March 31, 2018	As at April 1, 2017
Balance as per Previous GAAP		**11,842**	**5,514**
Adjustments:			
Prior period item	1	1,187	543
Actuarial gain on defined benefit liability recognised in Other Comprehensive income	1	-	-
Balance as per Ind AS		**13,029**	**6,057**

(ii) Reconciliation of total comprehensive income:

Particulars	Note	Year ended March 31, 2018
Net profit as per Previous GAAP		**6,328**
Adjustments:		
Prior period item	1	644
Actuarial gain on defined benefit liability recognised in Other Comprehensive income	2 & 3	14
Net Profit as per Ind AS		**6,986**
Actuarial gain on defined benefit liability recognised in Other Comprehensive income	2 & 3	(14)
Total Comprehensive income as per Ind AS		**6,972**

Note 1 Prior period item

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Scheme. The Company's obligation (DBO) in respect of the gratuity plan, was not provided based on the actuarial valuation using the projected unit credit method under previous GAAP. During the first time adoption of Ind AS, the Company has restated the DBO as per actuarial valuation using the projected unit credit method. This has resulted in increase in equity as on April 1, 2017 by Rs. 543 thousands, increase in profit for the year ended March 31, 2018 of Rs. 644 thousands and increase in equity as on March 31, 2018 of Rs. 1,187 thousands.

Note 2 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2019 increased by Rs. 14 thousands. There is no impact on the total equity as at March 31, 2018 and April 1, 2017.

Note 3 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

28 Segment reporting

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

29 The financial statements of the Company for the year ended March 31, 2018 and March 31, 2017, were audited by Yogeesha and Company, Chartered Accountants, the predecessor auditor.