

**EVOLUTIONARY SYSTEMS
CONSULTANCY LLC**

Financial Statements

For the year ended 31 March 2021

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements
For the year ended 31 March 2021

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Director's report

The Director has the pleasure in submitting his report together with the audited financial statements of Evolutionary Systems Consultancy LLC ("the Company") for the year ended March 31, 2021.

1. Review of activities

Main business and operations

Evolutionary Systems Consultancy LLC is engaged to provide information technology consultancy and onshore and offshore oil and gas fields and facilities services.

The operating results and financial position of the Company are fully set out in the attached financial statements. The Company reported a net profit of AED 2,531,146 for the year ended March 31, 2021 (2020: net loss of AED 476,201).

2. Director

The Director of the Company during the year and to the date of this report is Mr. Manish Nahata.

3. Auditors

Grant Thornton were appointed as auditors of the Company for the year ended March 31, 2021 and being eligible, have offered themselves for re-appointment for the year ending March 31, 2022.

These financial statements for the year ended March 31, 2021 (including comparatives) were approved on November 17, 2021 by:

A handwritten signature in black ink, appearing to read 'M. Nahta', is positioned above a horizontal line.

Mr. Manish Nahta
Authorised Signatory

Dubai, United Arab Emirates

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Independent Auditor's Report To the Shareholders of Evolutionary Systems Consultancy LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evolutionary Systems Consultancy LLC ("the Company"), which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRSs).

Basis for Opinion

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

Other matter

The financial statements of the Company for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 28, 2020.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report**To the Shareholders of Evolutionary Systems Consultancy LLC****Report on the Audit of the Financial Statements (continued)****Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

**Independent Auditor's Report
To the Shareholders of Evolutionary Systems Consultancy LLC****Report on the Audit of the Financial Statements (continued)****Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

- i) We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;
- iii) The Company has maintained proper books of account;
- iv) The financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;
- v) The Company has not purchased any shares during the financial year ended March 31, 2021;
- vi) Note 14 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) Based on the information that has been made available to us nothing has come to our attention except for the fact that the share capital has not been paid up since the incorporation of the Company, this which is in violation of Article 76 of UAE Federal Law No. (2) of 2015. Except the above, nothing causes us to believe that the Company has contravened during the financial year ended March 31, 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at March 31, 2021.


GRANT THORNTON
Farouk Mohamed
Registration No. 86



Dubai, November 17, 2021

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Notes	As at 31 March 2021 AED	As at 31 March 2020 AED
ASSETS			
Non-current			
Property and equipment	6	17,930	-
		<u>17,930</u>	<u>-</u>
Current			
Trade and other receivables	7	13,511,911	4,050,886
Prepayments		550,936	361,856
Cash and cash equivalents	8	334,872	209,027
		<u>14,397,719</u>	<u>4,621,769</u>
TOTAL ASSETS		<u>14,415,649</u>	<u>4,621,769</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	150,000	150,000
Retained earnings/(accumulated losses)		1,850,877	(605,269)
Statutory reserve	9.1	75,000	-
Other comprehensive income		(866,907)	-
TOTAL EQUITY		<u>1,208,970</u>	<u>(455,269)</u>
Non-current			
Employees' end of service benefits	18	1,850,319	834,369
		<u>1,850,319</u>	<u>834,369</u>
Current			
Accounts and other payables	10	11,356,360	4,242,669
		<u>11,356,360</u>	<u>4,242,669</u>
TOTAL LIABILITIES		<u>13,206,679</u>	<u>5,077,038</u>
TOTAL EQUITY AND LIABILITIES		<u><u>14,415,649</u></u>	<u><u>4,621,769</u></u>

These financial statements for the year ended 31 March 2021 (including comparatives) were approved on 17 November 2021 by:



Mr. Manish Nahata
Manager
Dubai, United Arab Emirates

The accompanying notes from 1 to 21 form an integral part of these financial statements

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

	Notes	Year ended 31 March 2021 AED	Year ended 31 March 2020 AED
Revenues from operations	11	25,684,571	11,482,798
Cost of revenues	12	21,195,155	11,348,736
Gross profit		<u>4,489,416</u>	<u>134,062</u>
General and administrative expenses	13	(2,165,392)	(610,263)
Other income		207,122	-
Net profit/(loss) for the year		<u>2,531,146</u>	<u>(476,201)</u>
Other comprehensive income (OCI)			
Defined benefit plan actuarial loss	18	(866,907)	-
Total other comprehensive loss for the year		<u>(866,907)</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u><u>1,664,239</u></u>	<u><u>(476,201)</u></u>

The accompanying notes from 1 to 21 form an integral part of these financial statements

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Share capital AED	Retained earnings/ (Accumulated losses) AED	Statutory reserve AED	Other comprehensive income AED	Total AED
Balance as at 1 April 2019	150,000	(129,068)	-	-	20,932
Total comprehensive loss for the year	-	(476,201)	-	-	(476,201)
Balance as at 31 March 2020	150,000	(605,269)	-	-	(455,269)
Total comprehensive income for the year	-	2,531,146	-	(866,907)	1,664,239
Transferred to statutory reserve (note 9.1)	-	(75,000)	75,000	-	0
Balance as at 31 March 2021	150,000	1,850,877	75,000	(866,907)	1,208,970

The accompanying notes from 1 to 21 form an integral part of these financial statements

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	Notes	Year ended 31 March 2021 AED	Year ended 31 March 2020 AED
OPERATING ACTIVITIES			
Net profit/(loss) for the year		2,531,146	(476,201)
<i>Adjustment for:</i>			
Depreciation	6	1,877	-
Provision of employees' end of service gratuity		236,208	213,649
Cash flows from operating activities before working capital changes		<u>2,769,231</u>	<u>(262,552)</u>
<i>Net changes in working capital:</i>			
Changes in trade and other receivables		(9,650,105)	(13,370)
Changes in prepayments		-	191,263
Changes in accounts and other payables		7,113,691	211,872
		<u>232,817</u>	<u>127,213</u>
Payment of employees' end of service gratuity		(87,165)	-
Net cash generated from operating activities		<u>145,652</u>	<u>127,213</u>
INVESTING ACTIVITY			
Purchase of property and equipment	6	(19,807)	-
Net cash used in investing activity		<u>(19,807)</u>	<u>-</u>
Net changes in cash and cash equivalents		125,845	127,213
Cash and cash equivalents at the beginning of the year		209,027	81,814
Cash and cash equivalents at the end of the year	8	<u>334,872</u>	<u>209,027</u>

The accompanying notes from 1 to 21 form an integral part of these financial statements

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements For the year ended 31 March 2021

1. Legal status and business activity

EVOLUTIONARY SYSTEMS CONSULTANCY LLC (The Company) is a limited liability company registered on 20 October 2009 in the Emirate of Abu Dhabi, under professional license no. CN-1171701, in accordance with the provisions of U.A.E. Commercial Companies Law No. 2 of 2015.

The company is registered and engaged to provide information technology consultancy and onshore and offshore oil and gas fields and facilities services.

Mr. Ummed Singh Nahata (an expatriate shareholder) has entered into agreement to sell his entire shares to Mastek Arabia FZ LLC (subsidiary of Mastek UK Ltd) (Purchaser) dated 8 February 2020. The right of the purchaser to assume rights and obligations is effective from 1 February 2020 and purchaser has exercised such right effective 1 March 2020.

2. Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB).

3. Standards, interpretations, and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective in 2021

Following relevant new amendments to existing standards were issued by the IASB, which are effective for the accounting period beginning on or after April 1, 2020 and have been adopted by the Company:

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to References to the Conceptual Framework (Various Standards)
- COVID-19 Rent Related Concessions (Amendments to IFRS 16)

The above amendments do not have a significant impact on these financial statements therefore the disclosures have not been made.

Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company:

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC
Financial Statements

Notes to the financial statements (continued)
For the year ended 31 March 2022

4. Summary of significant accounting policies

a) Overall considerations

The significant accounting policies which have been used in the preparation of these financial statements and have been applied consistently throughout the periods presented and are summarised below. These financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b) Foreign currency

Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

c) Financial instruments

Recognition and Initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument, All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortised cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include accounts receivables, other current financial assets and cash and cash equivalents. Due to the short-term nature of current receivables, their carrying amounts are considered to be the same as their fair values.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 202

4. Summary of significant accounting policies (continued)

c) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include accounts and other payables. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short-term nature.

Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 202

4. Summary of significant accounting policies (continued)

c) Financial instruments (continued)

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Accounts receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer, If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier), Contract liabilities are recognised as revenue when the Company performs under the contract.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 202

4. Summary of significant accounting policies (continued)

d) Unbilled revenue

Unbilled revenue is booked to match costs incurred during the year on the projects, where milestone billings are not achieved.

When costs are incurred but invoices cannot be raised till the next billing cycle of that project, proportionate income, based on percentage of completed milestone, is booked as the revenue for the year and taken to the income statement with the corresponding receivable being shown as unbilled revenue.

e) Provision

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

f) Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

g) Value Added Tax

The revenue, expenses and assets are recognised net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to, FTA is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

h) Short-term lease

The Company applies the short-term lease recognition exemption to its short-term leases of office premise (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 202

4. Summary of significant accounting policies (continued)

i) Revenue recognition

The company is in the business of providing information technology consultancy and onshore and offshore oil and gas fields and facilities services.

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied and revenue is recognized, either overtime or at a point in time.

Unbilled revenue on customer contracts, contract assets under IFRS 15, Revenue from contracts with customers, relates to conditional rights to consideration for satisfied performance obligations of contracts with customers. Trade receivables are recognized when the right to consideration becomes unconditional.

Deferred revenue, contract liabilities under IFRS 15, relate to payments received in advance of performance under contracts with customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies its performance obligations under the contracts.

Services

The Company recognizes revenue from services on a percentage of completion method.

Performance obligations for services on a percentage of cost completion basis are typically satisfied over time as services are rendered. In contracts where the Company is not entitled to payment until the performance obligations are satisfied, revenue is recognized at the time the services are delivered. At contract inception, the Company expects that the period between when the Company transfers control of a promised service to a customer and when the customer pays for that service will be one year or less. As a practical expedient, the consideration is not adjusted for the effects of a significant financing component.

Revenue is recognized based on the extent of progress towards completion of the performance obligation, on a project-by-project basis. The method used to measure progress depends on the nature of the services. Revenue is recognized on the basis of time and cost incurred to date relative to the total budgeted inputs. The output method on the basis of milestones is used when the contractual terms align the Company's performance with measurements of value to the customer. Revenue is recognized for services performed to date based on contracted rates and/or milestones that correspond to the amount the Company is entitled to invoice.

Estimates of Revenue, Cost or extent of progress toward completion are revised if circumstance changes. Any resulting increases or decreases in estimated revenue and costs are reflected in profit and loss in the period in which the circumstances that give rise to the revision become known by management,

The amount of revenue is shown as net of discounts and other similar obligations as per the performance obligations determined as per the provisions of the contracts with customers.

j) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 202

4. Summary of significant accounting policies (continued)

k) Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Property and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write-down the cost less estimated residual value of property and equipment. The estimated useful life is 4 years.

l) Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior periods' retained profits and losses.

Statutory reserve is created in accordance with UAE Federal Law No. (2) of 2015.

m) Administrative, selling and general expenses

Administrative, selling and general expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

5. Significant management judgment in applying accounting policies

The preparation of the financial statements in conformity with IFRS 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 these 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.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

Notes to the financial statements (continued)

For the year ended 31 March 2022

5. Significant management judgment in applying accounting policies (continued)

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for expected credit losses of trade receivables and contract assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Unbilled revenue

Where the outcome of a contract can be estimated reliably, contract revenue and costs are recognized by reference to the stage of completion. The management makes estimates of the cost incurred, to the extent of the revenue recognized and makes provision for unbilled revenue or excess billings on the basis of actual revenue recognized on those contracts. Since the percentage of completion method uses current estimates of contract revenue and expenses, it is normal to encounter changes in estimates of contract revenue and costs.

Revenue recognition

Recognised revenue and margin are based on estimates of total expected contract revenue and cost, which are subject to revisions as the contract progresses. Total expected revenue and cost on a contract reflect management's current best estimate of the probable future benefits and obligations associated with the contract.

Although the company makes individual assessments on contract on a regular basis, there is a risk that actual costs related to those obligations may exceed initial estimates. Estimates of contract costs and revenues at completion in case of contracts in progress and estimates of provisions in case of completed contracts may then have to be re-assessed.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

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6 Property and equipment

	Computers	Total
2021		
Cost		
As at 1 April 2020	-	-
Additions during the year	19,807	19,807
As at 31 March 2021	<u>19,807</u>	<u>19,807</u>
Accumulated depreciation		
As at 1 April 2020	-	-
Charge for the year (note 13)	1,877	1,877
As at 31 March 2021	<u>1,877</u>	<u>1,877</u>
Net carrying amount at March 31, 2021	<u><u>17,930</u></u>	<u><u>17,930</u></u>

7 Trade and other receivables

	As at 31 March 2021	As at 31 March 2020
<i>Financial assets:</i>		
Accounts receivable	10,332,810	1,857,306
Provision for doubtful debts	(64,848)	(53,144)
	<u>10,267,962</u>	<u>1,804,162</u>
Contract assets : unbilled revenue	3,047,149	1,990,687
Deposits	32,128	87,037
Due from shareholders (refer note 14)	150,000	150,000
	<u>13,497,239</u>	<u>4,031,886</u>
<i>Non-financial assets:</i>		
Advances to staff	14,672	19,000
	<u>14,672</u>	<u>19,000</u>
	<u><u>13,511,911</u></u>	<u><u>4,050,886</u></u>

The movement in the provision of doubtful debt is as follows:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	53,144	101,358
Provided/(reversal) during the year (note 13)	11,704	(48,214)
Balance at the end of the year	<u><u>64,848</u></u>	<u><u>53,144</u></u>

8 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	22,536	-
Cash at bank	312,336	209,027
	<u><u>334,872</u></u>	<u><u>209,027</u></u>

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9 Share capital

	As at 31 March 2021	As at 31 March 2020
Authorised, issued and paid up capital		
100 shares (Previous year : 100) of AED 1500/- each	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

The share capital of the Company consists of 100 shares at AED 1500/- (49 shares are owned by M/s Mastek Arabia FZ LLC (Subsidiary of Mastek UK Ltd and 51 shares are owned by Mr. Abdulla Mubarak Abdulla Yousof Al khamiri - UAE)

Statutory reserve

In accordance with the Articles of Association of the Company and UAE Federal Law No. (2) of 2015, a minimum of 10% of the net profit of the Company is required to be allocated to statutory reserve every year. Such transfers are required to be made until the balance on the legal reserve equals one half of the Company's paid-up share capital. During the year, AED 75,000 was transferred to the statutory reserve (2020: nil).

10 Accounts and other payables

	As at 31 March 2021	As at 31 March 2020
<i>Financial liabilities:</i>		
Accounts payables (refer note 14)	8,173,011	2,188,819
Other payables (refer note 14)	1,597,000	1,441,102
	<u>9,770,010</u>	<u>3,629,921</u>
<i>Non-financial liabilities:</i>		
Contract liabilities deferred revenue	1,322,875	486,057
Payable for leave salary	170,208	52,431
VAT payable, net	93,266	74,260
	<u>1,586,349</u>	<u>612,748</u>
	<u>11,356,360</u>	<u>4,242,669</u>

11 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Rendering of services	25,684,571	11,482,798
	<u>25,684,571</u>	<u>11,482,798</u>

Disaggregation of revenue by geographical market:

Country	Year ended 31 March 2021	Year ended 31 March 2020
United Arab Emirates	19,410,515	11,482,798
Kingdom of Saudi Arabia	6,274,056	-
	<u>25,684,571</u>	<u>11,482,798</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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12 Cost of revenues

	Year ended 31 March 2021	Year ended 31 March 2020
Salary to staff, allowance and other benefits (refer note 14)	13,212,770	11,228,574
Professional services taken* (refer note 14)	7,982,385	120,162
	<u>21,195,155</u>	<u>11,348,736</u>

*Includes AED 1,319,778 taken from Evolutionary Systems Egypt Ltd. (previous year AED 120,162 taken from Evolutionary Systems Egypt Ltd.), AED 3,183,168 (previous year AED NIL) taken from Evolutionary Systems Pvt Ltd, AED 51,180 from Mastek Ltd (previous year AED NIL), AED 259,418 from Evolutionary Systems Arabai FZ LLC (previous year AED NIL) towards professional services taken.

13 General and administrative expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Accommodation expense	860,952	-
Staff benefits and related costs	599,810	475,036
Travel expenses	216,844	11,720
Professional fees	129,203	13,000
Sponsorship Fees	100,000	60,000
Postage and communication	59,860	1,463
Rent expense	28,810	30,000
Bank charges	27,139	5,524
Provision/(reversal) for doubtful debts (note 7)	11,704	(48,214)
Depreciation (note 6)	1,877	-
Bad debts written-off	-	43,106
Others	129,193	18,629
	<u>2,165,392</u>	<u>610,263</u>

14 Related party disclosures

For the purpose of this financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

Name of related party	Nature of relationship
Evolutionary Systems Arabia FZ.-LLC	Entity under common control
Evolutionary Systems Pvt Ltd, India	Entity under common control
Evolutionary Systems Egypt Ltd, Egypt	Entity under common control
Mr. Abdulla Mubarak Abdulla Yousof Al Kharniri	Shareholders
Mastek Arabia FZ LLC	Shareholders
Mr. Rakesh Raman (COO MEA)	Key management personnel
Mr. Yaser Khalil (Sales Head MEA)	Key management personnel
Mastek LTD - India	Ultimate Holding Company

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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14 Related party disclosures (continued)

Transaction with above related parties during the year were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Staff allowance (cost of revenues)	1,902,888	3,336,868
Professional services taken (cost of revenues)	4,813,544	120,162

Balances with related parties outstanding are as follows:-

	As at 31 March 2021	As at 31 March 2020
Due from shareholders	150,000	150,000
Due to Companies under common management and control	8,083,389	2,134,535
Due from Key management personnel	53,698	-

15 Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by the management, in close cooperation with the Director, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

15.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, and price risks, which result from both its operating and investing activities.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk since the Company does not have any interest-bearing assets and liabilities.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Most of the Company's transactions are carried out in AED and US Dollars (USD). AED is effectively pegged to the USD thus any balances in USD do not represent significant currency risk. As at year end, the Company does not have any financial instruments denominated in currencies other than AED.

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15 Financial instruments risk (continued)

15.2 Credit risk analysis

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date as summarised below:

	As at 31 March 2021	As at 31 March 2020
Trade and other receivables (refer note 7)	13,497,239	4,031,886
Cash at bank (refer note 8)	312,336	209,027
	<u>13,809,575</u>	<u>4,240,913</u>

Trade and other receivables:

As at 31 March 2021, the significant concentration of credit risk from accounts receivables from Evosys Saudi (Group Company) amounted to AED 6,278,560 (previous year: AED NIL)

Cash at bank:

Cash at bank: The company's bank balance in a current account is placed with a high credit quality financial institution.

15.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis. Long-term liquidity needs are identified monthly.

The Company's financial liabilities are summarised below:

	As at 31 March 2021	As at 31 March 2020
Accounts and other payables (refer note 10)	9,770,010	3,629,921
	<u>9,770,010</u>	<u>3,629,921</u>

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16 Fair value measurement

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, are presented below

level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the companies' financial assets comprising of accounts and other receivables, prepayments and bank balance and financial liabilities comprising of accounts and other payables that approximate to their carrying values.

17 Capital management policies and procedures

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

18 Employee's end of service benefits

The movement is as follows:

	As at 31 March 2021	As at 31 March 2020
As at the beginning of the year	834,369	620,720
Charge for the year	236,208	230,892
Defined benefit plan actuarial loss	866,907	
Payments during the year	87,165	17,243
As at end of the year	1,850,319	834,369

	As at 31 March 2021	As at 31 March 2020
Projected Benefit Obligation	1,850,319	834,369
Current Liability	137,147	67,818
Non-Current Liability	1,713,172	766,551

Defined benefit plan- Gratuity plan

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

Valuation Assumptions:

i) Financial Assumptions:

	As at 31 March 2021	As at 31 March 2020
Discount rate (p.a)	2.52%	2.90%
Salary escalation rate (p.a.)	4.00%	4.00%

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18 Employee's end of service benefits (continued)

a) Discount Rate:

The discount rate used for the purposes of this exercise has been based on US corporate bond yields, which is taken as a proxy for UAE Corporate bond yields, for corresponding tenure of the obligation.

b) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

ii) Demographic Assumptions:

a) Retirement Age:

The employees of the Company are assumed to retire at the age of 60 years.

b) Mortality:

	Age	Rate
In the absence of availability of mortality rates based on the UAE Lives,	18	0.00075
as a proxy, we have used mortality rates based on Saudi Arabia lives.	23	0.00075
Published Saudi Arabia mortality rates tables at specimen ages.	28	0.00075
	33	0.00075
	38	0.00075
	43	0.00075
	48	0.0015
	53	0.003
	58	0.00525

c) Leaving Service:

We have assumed 10% per annum withdrawal rate at all ages in this valuation.

d) Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each period-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience. The present value of the DBO was measured using the projected unit credit method.

19 Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

20 Comparative figures

Certain comparative figures have been reclassified in order to conform to the current year's presentation.

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21 Significant events during the reporting period

The Company has assessed the impact of Covid-19 Pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended 31 March 2021 and up to the date of approval of financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.