



Financial statements and independent auditors' report

Evolutionary Systems Bahrain W.L.L.

For the year ended 31 March 2021

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General information

Commercial registration	:	91774-1 obtained on 25 November 2014
Directors	:	Manish Nahata
Registered office	:	Flat 69, Building 322 Road 1910, Block 319 Manama/Alhoora Kingdom of Bahrain
Bankers	:	Citibank NA
Auditors	:	Grant Thornton - Abdulaal P.O. Box 11175 12 th Floor, Al Nakheel Tower Seef District, Kingdom of Bahrain

Directors' report

The Board of Directors of Evolutionary Systems Bahrain W.L.L. (the "Company") has great pleasure in presenting the annual report and the audited financial statements of the Company for the year ended 31 March 2021.

Principal activities

The Company is engaged in Computer programming activities, Computer Consultancy and computer facilities management activities.

Financial highlights

The total income of the Company for the year ended 31 March 2021 was BD515,339, as compared to previous year's income of BD154,939. The Company has reported a profit of BD266,229 for the year ended 31 March 2021 as compared to profit of BD15,834 for the year 2020.

Directors

The following served as the Directors of the Company during the year ended 31 March 2021:

Manish Nahata	- Director
Arun Agarwal	- Director

Auditors

The financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for re-appointment.

The Directors take this opportunity to place on record their sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Company.



Manish Nahata
Director



Arun Agarwal
Director

Independent auditors' report

To the Owner of
Evolutionary Systems Bahrain W.L.L.

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and 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 *Auditors' Responsibilities for the Audit of the financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 20th April 2020.

Other Information

The Board of Directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' report set out on page 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Grant Thornton Abdulaal

PO Box 11175
12th Floor, Al Nakheel Tower
Seef District
Kingdom of Bahrain

T (+973) 17 500188

F (+973) 17 500199

[linkedin.com/company/grant-thornton-abdulaal/](https://www.linkedin.com/company/grant-thornton-abdulaal/)
[instagram.com/grantthornton_bahrain/](https://www.instagram.com/grantthornton_bahrain/)

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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

As required by the Bahrain Commercial Companies Law, we report that:

- a.) the Company has maintained proper accounting records and the financial statements in agreement therewith;
- b.) the financial information contained in the Directors' report is consistent with the financial statements;
- c.) we are not aware of any violations during the year of the Commercial Companies Law, or the terms of the Company's Memorandum and Articles of Association that would have a material adverse effect on business of the Company or its financial position; and
- d.) satisfactory explanations and information have been provided to us by management in response to all our requests.



Partner's Registration No. 198
10 March 2022
Manama, Kingdom of Bahrain

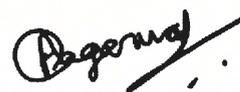
Statement of financial position

	Notes	31 March 2021 BD	31 March 2020 BD
Assets			
Current assets			
Trade and other receivables	3	224,815	44,718
Bank balances	4	162,730	63,635
		387,545	108,353
Total assets		387,545	108,353
Equity and liabilities			
Equity			
Share capital	6	50,000	50,000
Statutory reserve	7	25,000	7,263
Retained earnings		287,698	39,206
		362,698	96,469
Liabilities			
Current liabilities			
Trade and other payables	5	24,847	11,884
Total liabilities		24,847	11,884
Total equity and liabilities		387,545	108,353

These financial statements were approved and signed by the Board of Directors on 10 March 2022:



Manish Nahata
Director



Arun Agarwal
Director

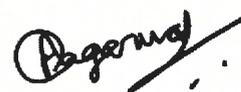
Statement of comprehensive income

	<u>Notes</u>	<u>Year ended 31 March 2021</u>	<u>Year ended 31 March 2020</u>
		BD	BD
Income			
Operating income		514,903	146,445
Cost of operations	8	<u>(228,745)</u>	<u>(117,892)</u>
Gross profit		286,158	28,553
Other income		436	8,494
		<u>286,594</u>	<u>37,047</u>
Expenses			
General and administrative expenses	9	<u>(20,365)</u>	<u>(21,213)</u>
		<u>(20,365)</u>	<u>(21,213)</u>
Profit for the year		<u>266,229</u>	<u>15,834</u>

These financial statements were approved and signed by the Board of Directors on 10 March 2022:



Manish Nahata
Director



Arun Agarwal
Director

The accounting policies and the notes from pages 9 to 18 form an integral part of these financial statements.

Statement of changes in equity

	Share capital	Statutory reserve	Retained earnings	Total
	BD	BD	BD	BD
At 1 April 2019	50,000	5,680	24,955	80,635
Profit for the year	-	-	15,834	15,834
Transferred to statutory reserve	-	1,583	(1,583)	-
At 31 March 2020	50,000	7,263	39,206	96,469
At 1 April 2020	50,000	7,263	39,206	96,469
Profit for the year	-	-	266,229	266,229
Transferred to statutory reserve	-	17,737	(17,737)	-
At 31 March 2021	50,000	25,000	287,698	362,698

The accounting policies and the notes from pages 9 to 18 form an integral part of these financial statements.

Statement of cash flows

	Year ended 31 March 2021	Year ended 31 March 2020
	BD	BD
Operating activities		
Profit for the year	266,229	15,834
Operating profit before working capital changes	266,229	15,834
Changes in operating assets and liabilities:		
Change in trade and other receivables	(180,097)	(2,357)
Change in trade and other payables	12,963	1,296
Net cash used in operating activities	99,095	14,773
Net change in bank balances	99,095	14,773
Bank balances, beginning of the year	63,635	48,862
Bank balances, end of the year	162,730	63,635
Comprise:		
Bank balances	162,730	63,635

The accounting policies and the notes from pages 9 to 18 form an integral part of these financial statements.

Notes to the financial statements

31 March 2021

1. Organisation and activities

Evolutionary systems Bahrain W.L.L. (the “Company”) is a limited liability company registered in the Kingdom of Bahrain with the Ministry of Industry, Commerce and Tourism under commercial registration number 91774-1 obtained on 25 November 2014.

The Company is engaged in Computer programming activities, Computer Consultancy and computer facilities management activities.

The Company’s registered office is situated in the Kingdom of Bahrain.

1A. COVID impact during the year

On 21 February 2020, Kingdom of Bahrain confirmed the first case of COVID-19 whilst Health Ministry in Bahrain was on high alert and started implementing pre-emptive measures from January 2020. On 11 March 2020, World Health Organization (WHO) declared COVID-19 outbreak a global pandemic and asserted the threat posed by this virus. COVID-19 pandemic is presenting challenges for many entities throughout the world. The pandemic arrested the growth in business and resulted in pulling down the activities of the Company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company’s financial statements have been prepared on an accrual basis and under the historical cost convention. The Company’s financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

2.2 Statement of compliance and going concern assumption

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law. They have been prepared under the assumption that the Company operates on a going concern basis.

2.3 New or revised Standards or Interpretations

New Standards adopted as at 1 January 2020

Some accounting pronouncement which have become effective from 1 January 2020 and have therefore been adopted do not have a significant impact on the Company’s financial results or position.

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

Standards, amendments and Interpretations 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, 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 to 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

2.4 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of bank balances only.

2.5 Provisions

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.6 Revenue recognition

Revenue arises mainly from the rendering of services for oracle implementation and support.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time.

Revenue from rendering of services is recognised over time, when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

2.7 Other income

Other income is recognised on an accrual basis or when the Company's right to receive payment is established.

2.8 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

2.9 Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

a. Financial assets

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for those other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15.

Financial assets, other than those designated and effective as hedging instruments (if any), are classified into the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), and
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of other receivables which is presented separately in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and

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

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's bank balances and trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

b. Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and amounts due to related party. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss, if any. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.10 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

a. Significant management judgments

During the year, no judgements were made by management in applying the accounting policies of the Company that have the most significant effect on the financial statements.

b. Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

3. Trade and other receivables

	2021 BD	2020 BD
Trade receivables	222,315	42,158
Tender guarantee deposit	2,500	2,500
Other receivables	-	60
	224,815	44,718

All amounts are short term. The net carrying value of trade and other receivables are considered a reasonable approximation of fair value.

4. Bank balances

	2021 BD	2020 BD
Bank balances	162,730	63,635

There are no restrictions on bank balances at the time of approval of the financial statements.

5. Trade and other payables

	2021 BD	2020 BD
Trade payable	1,662	630
Accrued expenses	3,538	330
Amount due to related party	13,644	8,985
Other payable	6,003	1,939
	24,847	11,884

All amounts are short term. The carrying values of trade and other payables is considered to be reasonable approximate of fair values.

6. Share capital

The share capital of the Company consists of 500 shares of BD 100 each, authorised, issued and fully paid up.

	Number of shares	%	Amount BD
Mastek Arabia FZ L.L.C.	500	100	50,000

7. Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a maximum of 50% of the issued share capital. During the year, BD17,737 has been transferred to this reserve (2020: BD1,583).

8. Cost of operations

	2021 BD	2020 BD
Professional services	159,180	60,000
Staff cost	68,821	60,240
Consultancy expenses	744	(2,348)
	228,745	117,892

9. General and administrative expenses

	2021 BD	2020 BD
Legal and professional charges	7,507	5,120
Rent	6,800	5,950
Bad debts	3,175	-
Immigration and visa	1,851	9,321
Bank charges	868	822
Miscellaneous expenses	164	-
	20,365	21,213

10. Related party transactions

The Company's related parties include its Owner, Directors, key management personnel, their close relatives and businesses under their control. The Company's transactions with related parties are in the ordinary course of business. The balances with related parties at the financial position date have been separately disclosed in the financial statements.

The following are the related party transactions;

Name of related parties	Nature of relationship	Nature of transactions	2021 BD	2020 BD
Mastek Arabia FZ LLC	Other related party	Professional Services Taken	145,644	60,000

11. Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of bank balances, trade and other receivables, trade and other payables and amount due to related party.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The main risks arising from the Company's financial instruments are interest rate cash flow risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors approve policies for managing each of these risks, which are summarized below.

a. Interest rate risk

The Company's policy is to minimize interest rate risk exposures on financial instruments. The Company is not exposed to the risk for changes in market interest rates since the Company has no interest-bearing financial assets and financial liabilities.

b. Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances.

The following table shows the maturity profile of financial liabilities as at 31 March 2021:

Particulars	Due within 1 year BD
Trade and other payables	<u><u>24,847</u></u>

The following table shows the maturity profile of financial liabilities as at 31 March 2020:

Particulars	Due within 1 year BD
Trade and other payables	<u><u>11,884</u></u>

c. Foreign currency risk

The Company's primary exposure to the risk in changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The currency risk on foreign currencies is actively monitored by the Management. The Company's transactions are predominantly in Bahrain Dinars.

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

d. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including bank balances and trade and other receivables.

The table below shows the gross maximum exposure to the Company's credit risk, without considering the effects of collateral and credit enhancements as at 31 March:

	2021 BD	2020 BD
Trade and other receivables	224,815	44,718
Bank balances	162,730	63,635
	<u>387,545</u>	<u>108,353</u>

Credit risk management

The credit risk is managed on a group basis based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed by dealing with major reputable financial institutions.

The Company policy is to deal only with recognized, creditworthy counterparties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. A regular annual review and evaluation of these accounts are carried out to assess the credit standing of the customers.

Security

Trade receivables consist of a large number of customers in various industries. The Company does not hold any security on the trade receivable balances except for new customers where post-dated cheques are obtained.

12. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern, and
- to provide an adequate return to the Partners by pricing services in a way that reflects the level of risk involved in providing those services.

The Company monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

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

The amounts managed as capital by the Company for the reporting periods are summarised as follows:

	2021 BD	2020 BD
Total equity	362,698	96,469
Less: Bank balances	(162,730)	(63,635)
Capital	<u>199,968</u>	<u>32,834</u>
Total equity	<u>362,698</u>	<u>96,469</u>
Overall financing	<u>362,698</u>	<u>96,469</u>
Capital to overall financing ratio	0.55	0.34

13. Post- reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

14. Comparative figures

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year's financial statements.