

**EVOLUTIONARY SYSTEMS
CONSULTANCY LLC**

Financial Statements

31 March 2020

Registered office:

P. O. Box - 7891
Abu Dhabi, U.A.E.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Financial Statements

31 March 2020

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EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Manager's Report

The manager submits his report and financial statements for the financial period ended 31 March 2020 to assist the Ultimate parent company in India to present its consolidated financial statements and not for any other statutory compliance.

Results

The profit for the period amounted AED 108,335/-.

Review of the business

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 an 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 1st February 2020 but Purchaser has exercised such rights effective 1st March 2020.

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact.

There is no overall impact on the company due to Covid-19, since the company has option to work off-site and effective monitoring controls are in place.

IT environment was anticipated to be exposed to more risk on account of 100% delivery of work through offshore mechanism, hence IT controls of the company are improvised after conducting necessary surveys and tutorials. Password protection in online meetings, stringent firewalls and application regulatory scanning has been enabled and made mandatory for all users.

The operations of the company are not majorly affected by Covid-19 situation as the company has shifted all the projects on offshore delivery model. All projects of the company are working smoothly and new businesses are also procured based on this Model. No significant decline was noticed in the business projected as on date. Even the company has signed 3-4 major contracts in different regions like UK, Australia and Netherlands in last 2 months. These are the major deals with substantial values among other ongoing smaller contracts across the globe.

Events since the end of the period

There were no important events, which have occurred since the period-end that materially affect the company.

Shareholders and their interests

The shareholders at 31 March 2020 and their interests as on that date in the share capital of the company were as follows:

<i>Name of the shareholders</i>	<i>Nationality/ Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Mr. Abdulla Mubarak Abdulla Yousof Al Khamiri	U.A.E.	51	76,500
Mastek Arabia FZ LLC ^a	U.A.E.	<u>49</u>	<u>73,500</u>
		<u>100</u>	<u>150,000</u>

^a Mr. Ummed Singh Nahata has entered into agreement to sell his entire shares to Mastek Arabia FZ LLC (subsidiary of Mastek UK Ltd) (Purchaser) dated 08 February 2020. The right of the purchaser to assume rights and obligations is effective from 1st February 2020 and purchaser has exercised such right effective 1st March 2020. The procedure to execute the share transfer with the Department of Economic Development, Abu Dhabi, is under process.



Mr. Rakesh Raman
(POA holder of company)

Independent Auditors' Report to the Shareholders of EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **EVOLUTIONARY SYSTEMS CONSULTANCY LLC** (the "Company"), which comprises of the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2020 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, 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.

Purpose of audit

These financial statements are prepared for the period from 1st March 2020 to 31th March 2020 (without comparative figures) for the management purpose only to assist the Ultimate parent company in India to present its consolidated financial statements and not for any other statutory compliances. Our report is solely for the ultimate parent company in India and should not be distributed to or used by parties other than the parent company.

Other Information

Management is responsible for the other information. Other information comprises the manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

Independent Auditors' Report to the Shareholders of EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Report on the Audit of the Financial Statements (contd.)

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 that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

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.

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 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.

Independent Auditors' Report to the Shareholders of EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Report on the Audit of the Financial Statements (contd.)

- 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.
- 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.


For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)



28 May 2020

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Statement of Financial Position

At 31 March 2020

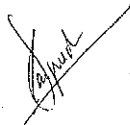
	<i>Notes</i>	<i>31 March 2020 AED</i>
ASSETS		
Current assets		
Accounts and other receivables	7	4,053,152
Prepayments		361,856
Bank balance	8	<u>209,027</u>
		<u>4,624,035</u>
TOTAL ASSETS		<u>4,624,035</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	9	150,000
Accumulated losses		<u>(605,269)</u>
Total equity		<u>(455,269)</u>
Non-current liability		
Staff end of service gratuity		<u>834,369</u>
Current liability		
Accounts and other payables	10	<u>4,244,935</u>
TOTAL EQUITY AND LIABILITIES		<u>4,624,035</u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 to 4.

Approved by the shareholders on 28th May 2020 and signed on their behalf by:

For EVOLUTIONARY SYSTEMS CONSULTANCY LLC



Mr. Rakesh Raman
(POA holder of company)

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Statement of Comprehensive Income
for the period ended 31 March 2020

	<i>Notes</i>	<i>01 Mar. 2020 to 31 Mar. 2020 AED</i>
Revenue		1,115,728
Costs of revenue	11	<u>(848,410)</u>
Gross profit		267,318
Expenses	12	<u>(158,983)</u>
Profit for the period		108,335
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>108,335</u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Statement of Changes in Equity
for the period ended 31 March 2020

	<i>Share capital <u>AED</u></i>	<i>Accumulated (losses) <u>AED</u></i>	<i>Total <u>AED</u></i>
As at 29 February 2020	150,000	(713,604)	(563,604)
Profit for the period	<u>-</u>	<u>108,335</u>	<u>108,335</u>
As at 31 March 2020	<u>150,000</u>	<u>(605,269)</u>	<u>(455,269)</u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

(Incorporated with the Department of Economic Development, Abu Dhabi, U.A.E.)
(Registration no. 269752)

Notes to the Financial Statements
*for the period ended 31 March 2020***1. Legal status and business activity**

- a) **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.
- b) The company is registered and engaged to provide information technology consultancy and onshore and offshore oil and gas fields and facilities services.
- c) 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 1st February 2020 and purchaser has exercised such right effective 1st March 2020. The procedure to execute the share transfer with the Department of Economic Development, Abudhabi, U.A.E., is under process.
- d) These financial statements for the period ended 31 March 2020 are prepared for management purpose (without comparatives) only to assist the Ultimate parent company in India to present its consolidated financial statements and not for any other statutory compliance.

2. Basis of preparation**a) Going concern**

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate as a going concern for the foreseeable future. The statement of financial position shows that the accumulated losses as at 31 March 2020 amounted to AED 605,269/- and there was a deficit of AED 455,269/- in the total equity. The shareholder (by virtue of agreement) has agreed to continue with the operations of the Company and will provide financial support enabling the Company to meet its liabilities as and when they fall due.

b) 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) and which are effective for accounting periods beginning on or after 1 January 2019 and the applicable requirements of the Company Commercial Law number 2 of 2015. These financial statements for the period ended 31 March 2020 are prepared for management purpose (without comparatives) only to assist the Ultimate parent company in India to present its consolidated financial statements and not for any other statutory compliance.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements *for the period ended 31 March 2020*

c) **Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are being measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

d) **Functional and presentation currency**

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

3. **Use of estimates and judgment**

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:

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC**Notes to the Financial Statements**
*for the period ended 31 March 2020***Judgments made in applying accounting policies (contd.)**

There is no overall impact on the company due to Covid-19, since the company has option to work off-site and effective monitoring controls are in place. The operations of the company are not majorly affected by Covid-19 situation as the company has shifted all the projects on offshore delivery model. All projects of the company are working smoothly and new businesses are also procured based on this Model. No significant decline was noticed in the business projected as on date. Even the company has signed 3-4 major contracts in different regions like UK, Australia and Netherlands in last 2 months. These are the major deals with substantial values among other ongoing smaller contracts across the globe.

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.

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 period, 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.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

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.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements for the period ended 31 March 2020

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.

4. Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 16 - Leases
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation.
- Amendment to IAS 19- Employee Benefits Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 -Investment in Associates and Joint Ventures: Relating to long term interests in Associates and Joint Ventures.
- IFRIC 23-Uncertainty over Income Tax Treatments
- Annual improvements to IFRSs 2015-2017 Cycle -Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing costs

During the current period, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting period commencing on or after 1 January 2019.

The significant impacts of IFRS 16 and other amendments as listed above on the amounts reported and their presentation are disclosed wherever applicable.

b) International Financial Reporting Standards issued but not effective

IFRS17 -Insurance Contracts- The effective date of the standard is set for annual periods beginning on or after 1 January 2021 (likely to be extended to 1 January 2022).

Amendments to IAS 1 and IAS 8-Definition of Material- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC**Notes to the Financial Statements**
*for the period ended 31 March 2020***International Financial Reporting Standards issued but not effective (contd.)**

Amendments to IFRS 3-Definition of a Business- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

Revised Conceptual Framework for Financial Reporting- The effective date of the revised framework is set for annual periods beginning on or after 1 January 2020.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Significant Changes in the current reporting period**IFRS 16 Leases:**

The Company has adopted IFRS 16 Leases issued in January 2016 with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lease to recognize a right-of- use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Company has assessed that the impact of IFRS 16 is not material on the financial statements of the company as at the adoption date and the reporting date since the company pays an annual lease.

6. Significant accounting policies**a) Depreciation of fixed assets**

Minor purchases of fixed assets are depreciated fully in the period of purchase.

b) 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:

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements for the period ended 31 March 2020

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.

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.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC**Notes to the Financial Statements**
*for the period ended 31 March 2020***Classification and subsequent measurement of financial liabilities (contd.)**

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
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) 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.

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.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements *for the period ended 31 March 2020*

- 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 balances

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.

c) Unbilled revenue

Unbilled revenue is booked to match costs incurred during the period 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 period and taken to the income statement with the corresponding receivable being shown as unbilled revenue.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC**Notes to the Financial Statements**
*for the period ended 31 March 2020***d) Foreign currency transactions**

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting gain or loss is taken to the Statement of Comprehensive Income.

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**Notes to the Financial Statements**
*for the period ended 31 March 2020***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 period 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.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements
for the period ended 31 March 2020

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.

	<i>31 March</i> <i>2020</i> <i>AED</i>
7. Accounts and other receivables	
Accounts receivables	1,857,306
Provision for doubtful debts	<u>(53,144)</u>
	1,804,162
Contract assets : unbilled revenue ^a	1,990,687
Deposits	87,037
Due from shareholders (<i>refer note 13</i>)	150,000
Advances to staff	<u>21,266</u>
	<u>4,053,152</u>
^a Refer note 6c.	
8. Bank balance	
In a current account	<u>209,027</u>
9. Share capital	
Authorized, issued and paid up share capital 100 shares of AED 1,500/- each	<u>150,000</u>
10. Accounts and other payables	
Accounts payables (<i>refer note 13</i>)	2,191,085
Contract liabilities : deferred revenue	486,057
Other payables (<i>refer note 13</i>)	1,515,362
Payable for leave salary	<u>52,431</u>
	<u>4,244,935</u>
	<i>01 Mar. 2020</i> <i>to</i> <i>31 Mar. 2020</i> <i>AED</i>
11. Cost of revenue	
Salary to staff, allowance and other benefits (<i>refer note 13</i>)	728,248
Professional services taken ^a (<i>refer note 13</i>)	<u>120,162</u>
	<u>848,410</u>

^a Represents professional services taken for onshore and offshore support services from Evolutionary Systems Egypt Ltd.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements
for the period ended 31 March 202001 Mar. 2020
to
31 Mar. 2020
AED**12. Expenses**

Staff benefits and related costs (refer note 13)	143,804
Rent expense	2,500
Other administrative costs	<u>12,679</u>
	<u>158,983</u>

13. Related party transactions

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.

The related parties and its relationships are as under-

a) Companies under common management and control

Evolutionary Systems Arabia FZ-LLC, U.A.E.
Evolutionary Systems Pvt Ltd, India
Evolutionary Systems Egypt Ltd, Egypt

b) Shareholders

Mr. Abdulla Mubarak Abdulla Yousof Al Khamiri
Mr. Ummad Singh Nahata (till 31.1.2020)
Mastek Arabia FZ LLC (Effective 1.2.2020)

c) Key management personnel

Mr. Rakesh Raman (COO – MEA)
Mr. Yaser Khalil (Sales Head MEA)

The nature of significant related party transactions and the amounts involved are as under:

	<i>Companies under common management control AED</i>	<i>Key management personnel AED</i>	<i>01 Mar. 2020 to 31 Mar. 2020 AED</i>
Included in cost of revenue (refer note 11)			
Staff allowance	-	20,594	20,594
Professional services taken	120,162	-	120,162
Included in expenses: Staff salaries (refer note 12)	-	123,431	123,431

EVOLUTIONARY SYSTEMS CONSULTANCY LLC

Notes to the Financial Statements
for the period ended 31 March 2020

Related party transactions (contd.)

As of the reporting date, balance with related party, was as follows:

	<i>Key management personnel AED</i>	<i>Shareholders AED</i>	<i>Company under common management and control AED</i>	<i>Total 31 March 2020 AED</i>
Included in current assets:				
Under account and other receivables				
Due from shareholders	-	150,000	-	150,000
Included in current liability:				
Account payables	-	-	2,134,535	2,134,535
Other payables	1,186,347	-	-	1,186,347

14. Financial instruments risks

The company has exposure to the following risks from use of its financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balance and accounts and other receivables.

The Company's management has been closely monitoring the possible impact of COVID-19 including the default risk of the industry and the country in which the customer operates to ensure the adequacy of allowance for expected credit loss towards accounts and other receivables.

Bank balance

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

Accounts receivables

As at 31 March 2020, the significant concentration of credit risk from accounts receivables situated within U.A.E. amounted to AED 975,272/- due from three customers (*previous period AED 1,529,989/- due from four customers*).

There is no significant concentration of credit risk from accounts receivables situated outside U.A.E. and outside the industry in which the company operates.

EVOLUTIONARY SYSTEMS CONSULTANCY LLC**Notes to the Financial Statements**
*for the period ended 31 March 2020***b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

In absence of any bank borrowings, interest rate is minimum.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirhams is fixed.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

Global stress in the markets brought by the COVID-19 crisis is being felt globally through lack of liquidity in foreign funding markets. In this environment, the Company has already taken measures to manage its liquidity carefully until the crisis is over. The company's management has been closely monitoring the cash flows and forecasts on a weekly basis to maintain a reasonably healthy balance sheet during this time and beyond.

15. Financial instruments: Fair values

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.

16. Contingent liability

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

17. Cash Flow Statements

The director is of opinion that cash flow statements would not furnish any material additional information which is not disclosed in the financial statements.

18. Comparative figures

These financial statements are prepared for the management purposes for the period 1 March 2020 to 31 March 2020. In the opinion of the management, comparative figures would not furnish any material additional information, which is not disclosed in the financial statements.