

Walker ChandioK & Co LLP

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Independent Auditor's Report

To the Members of Evolutionary Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Evolutionary Systems Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including **Indian Accounting Standards ('Ind AS')** specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but 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.



Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

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.

The other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;



Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

- 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;
10. 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.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

13. Other Matter

The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Parekh & Majmudar Chartered Accountants, who have expressed an unmodified opinion on those financial statements vide their audit report dated 11 June 2020.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021.
 - ii. the Company has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013



Adi P. Sethina
Partner
Membership No:108840

UDIN:21108840AAAER4138

Place: Mumbai
Date: 09 September 2021

Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure A to the Independent Auditor's Report of even date to the members of Evolutionary Systems Private Limited, on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property plant and equipment (PPE).
- (b) All PPE have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments and guarantees given, to the extent applicable. During the year, the Company has not entered into any other transaction covered under sections 185 and 186 of the Act;
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax goods and service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues outstanding in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any borrowings from any financial institution, government or outstanding debentures during the year.



Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure A (Contd)

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and) / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No:001076N/N500013



Adi P. Sethria
Partner
Membership No:108840

UDIN:21108840AAAAER4138

Place: Mumbai
Date: 09 September 2021

Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure B to the Independent Auditor's Report of even date to the members of Evolutionary Systems Private Limited on the financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Evolutionary Systems Private Limited** ('the Company') as at and for the year ended **31 March 2021**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as



Evolutionary Systems Private Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure B (Contd)

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013



Adi P. Sethna
Partner
Membership No:108840

UDIN:21108840AAAER4138

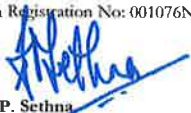
Place: Mumbai
Date: 09 September 2021

EVOLUTIONARY SYSTEMS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021
 (Amount in ₹)

	Note	As at	
		March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment, net	3(a)	93,534,211	100,985,460
Right-of-use assets	3(b)	47,644,171	66,244,080
Investment in subsidiaries	4(a)	13,526,123	13,526,123
Financial assets			
Loans	4(b)	4,804,345	4,892,345
Other financial assets	4(c)	535,227	-
Deferred tax assets, net	28	31,791,612	18,188,558
Current tax assets, net		-	24,323,354
Other non-current assets	5	1,067,707	-
Total non-current assets		192,903,396	228,159,920
Current assets			
Financial assets			
Investments	6	201,658,339	35,383,566
Trade receivables	7	287,930,526	251,284,158
Cash and cash equivalents	8	98,399,071	170,133,767
Loans	9	1,224,210	6,802,539
Other financial assets	10	1,032,046	684,708
Other current assets	11	77,209,668	40,725,731
Total current assets		667,453,860	505,014,469
Total assets		860,357,256	733,174,389
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	100,000,000	100,000,000
Other equity	13	440,419,045	289,918,011
Total equity		540,419,045	389,918,011
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	4,758,131	-
Other financial liabilities	15	38,439,935	48,466,675
Provisions	16	66,428,181	46,436,947
Total non-current liabilities		109,626,247	94,903,622
Current liabilities			
Financial liabilities			
Trade payables			
Dues of micro and small enterprises	36	1,110,928	99,365
Dues of creditors other than micro and small enterprises		37,395,428	13,091,485
Other financial liabilities	17	122,318,015	224,011,514
Other current liabilities	18	11,135,311	2,811,851
Provisions	19	30,110,443	8,338,541
Current tax liabilities, net		8,241,839	-
Total current liabilities		210,311,964	248,352,756
Total liabilities		319,938,211	343,256,378
Total Equity and Liabilities		860,357,256	733,174,389

See accompanying notes to the financial statements
 This is the Balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**
 Chartered Accountants
 Firm Registration No: 001076N/N500013


Adi P. Sethna
 Partner
 Membership No.: 108840
 Place: Mumbai
 Date: September 09, 2021



For and on behalf of the Board of Directors of
EVOLUTIONARY SYSTEMS PRIVATE LIMITED


 [Umang Nahata]
 Director
 DIN: 00323145


 [Nitya Khater]
 Chief Financial Officer

Place:
 Date: September 09, 2021


 [Ashank Desai]
 Director
 DIN: 00017767


 Disha Shah
 Company Secretary




EVOLUTIONARY SYSTEMS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021
(Amount in ₹)

	Note	Year ended	
		March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	20	1,415,766,403	1,435,340,038
Dividend from subsidiary company		-	4,491,642,079
Other income	21	12,542,935	31,570,478
Total income (1)		1,428,309,338	5,958,552,595
EXPENSES			
Employee benefits expenses	22	1,074,957,913	1,056,872,413
Finance costs	23	7,034,600	5,647,074
Depreciation and amortisation expenses	24	52,867,028	51,390,701
Other expenses	25	74,410,314	247,310,311
Total expenses (2)		1,209,269,855	1,361,220,499
Profit before tax (3) = (1) - (2)		219,039,483	4,597,332,096
Tax expense / (credit)			
Current tax		66,479,506	800,000,000
Short/excess provision		-	1,516,149
Deferred tax		(9,661,243)	4,211,841
Total tax expense (4)		56,818,263	805,727,990
Profit after tax for the year (5) = (3) - (4)		162,221,220	3,791,604,106
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit and loss, (losses)/gains:			
Defined benefit plan actuarial (losses) / gains		(12,556,620)	(10,418,041)
Income tax relating to items that will not be reclassified to profit and loss - credit/(expense)		3,160,250	2,622,013
Items that will be reclassified subsequently to the statement of profit and loss, (losses)/gains			
Net change in fair value of forward contracts designated as cash flow hedges		(3,105,377)	-
Income tax relating to items that will be reclassified to profit and loss - credit/(expense)		781,561	-
Total other comprehensive (loss) / income for the year (6)		(11,720,186)	(7,796,028)
Total comprehensive income for the year (5) + (6)		150,501,034	3,783,808,078
Earnings per equity share (Equity shares of face value of ₹ 10/- each)			
Basic and Diluted	26	16	379

See accompanying notes to the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013


Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: September 09, 2021




For and on behalf of the Board of Directors of
EVOLUTIONARY SYSTEMS PRIVATE LIMITED


[Umang Nahata]
Director
DIN : 00323145


[Ashank Desai]
Director
DIN : 00017767


[Nirav Khatri]
Chief Financial Officer


Disha Shah
Company Secretary

Place:
Date: September 09, 2021




EVOLUTIONARY SYSTEMS PRIVATE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021
(Amount in ₹)

	Year ended	
	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit after tax	162,221,220	3,791,604,106
Adjustments for		
Interest income	(409,628)	(5,843,749)
Dividend from mutual fund	-	(2,293,079)
Dividend from subsidiary company	-	(4,491,642,079)
ESOP outstanding adjustments	-	(72,111,672)
Depreciation and amortization expense	52,867,028	51,390,701
Interest and finance cost	7,034,600	5,647,074
Provision for bad and doubtful debts	3,881,130	265,854
Tax expense	56,818,263	805,727,990
Profit on sale of current investments	(5,384,528)	-
Loss on disposal of Property, Plant and Equipment	1,729,080	-
	116,535,945	(3,708,858,960)
Operating profit before working capital changes	278,757,165	82,745,146
Adjustment for change in:		
(Increase) / Decrease in trade receivables	(40,527,498)	40,850,546
(Increase) in other assets	(39,347,723)	(22,513,510)
Increase in trade payables	25,315,505	9,767,446
(Decrease)/ Increase in other liabilities	(105,487,055)	136,105,874
Increase in provisions	41,763,136	12,325,831
	(118,283,635)	176,536,187
Cash generated from operating activities before taxes	160,473,530	259,281,333
Taxes paid (net of refunds)	(37,856,123)	(127,769,838)
Net cash generated from operations	122,617,407	131,511,495
Cash flow from Investing activities		
Purchase of current investments, net	(160,890,246)	20,679,735
Interest received	947,409	-
Purchase of property, plant and equipment	(22,642,500)	(135,518,670)
Inter corporate loan given	-	(13,856)
Proceeds from repayment of inter corporate loan	5,458,329	-
Dividend received from subsidiary company	-	4,491,642,079
Dividend received from mutual fund	-	2,293,079
	(177,127,008)	4,379,082,367
Tax on dividend received from subsidiary company	-	(673,746,312)
Net cash (used in) / generated from investing activities	(177,127,008)	3,705,336,055
Cash flow from financing activities		
Proceeds from borrowings (net)	5,707,114	69,151,680
Repayment of interest and other finance cost	(267,093)	(40,095)
Payment of lease liabilities	(22,665,118)	(50,440,203)
Dividend paid (including tax on dividend)	-	(3,760,700,000)
Net cash (used in) financing activities	(17,225,097)	(3,742,028,618)
Net (decrease) / increase in cash & cash equivalents	(71,734,698)	94,818,931
Cash & cash equivalents at the beginning of the year	170,133,767	75,314,836
Cash & cash equivalents at the end of the year	98,399,071	170,133,767

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow
This is the Statement of Cash Flow referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013


Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: September 09, 2021



For and on behalf of the Board of Directors of
EVOLUTIONARY SYSTEMS PRIVATE LIMITED


[Umang Nahata]
Director
DIN: 00323145


[Ashank Desai]
Director
DIN: 00017767:


[Nirav Khatri]
Chief Financial Officer


Disha Shah
Company Secretary

Place:
Date: September 09, 2021



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021
 (Amount in ₹)

Equity share capital (Refer note 12)	
Balance as at April 1, 2019	100,000,000
Add: Changes in equity share capital	-
Balance as at March 31, 2020	<u>100,000,000</u>
Balance as at April 1, 2020	100,000,000
Add: Changes in equity share capital	-
Balance as at March 31, 2021	<u>100,000,000</u>

Other equity (Refer note 13)

Particulars	Reserve and surplus			Other Comprehensive Income (OCI)		Total other equity
	ESOP outstanding	General reserve	Retained earnings	Employee benefit expenses	Fair value of cash flow hedge	
Balance as at April 1, 2019	72,111,672	12,270,000	254,785,921	(245,988)	-	338,921,605
ESOP outstanding adjustments	(72,111,672)	-	-	-	-	(72,111,672)
Dividend on equity shares	-	-	(3,760,700,000)	-	-	(3,760,700,000)
Profit for the year	-	-	3,791,604,106	-	-	3,791,604,106
Other comprehensive income (net of taxes)	-	-	-	(7,796,028)	-	(7,796,028)
Balance as at March 31, 2020	<u>-</u>	<u>12,270,000</u>	<u>285,690,027</u>	<u>(8,042,016)</u>	<u>-</u>	<u>289,918,011</u>
Balance as at April 1, 2020	-	12,270,000	285,690,027	(8,042,016)	-	289,918,011
Profit for the year	-	-	162,221,220	-	-	162,221,220
Other comprehensive income (net of taxes)	-	-	-	(9,396,370)	(2,323,816)	(11,720,186)
Balance as at March 31, 2021	<u>-</u>	<u>12,270,000</u>	<u>447,911,247</u>	<u>(17,438,386)</u>	<u>(2,323,816)</u>	<u>440,419,045</u>

See accompanying notes to the financial statements
 This is the Statement of changes in equity referred to in our report of even date

For **Walker Chandiook & Co LLP**
 Chartered Accountants
 Firm Registration No: 001076N/N5000013


Adi P. Sethna
 Partner

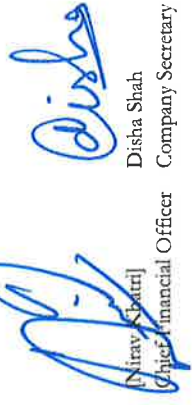
Membership No.: 108840
 Place: Mumbai
 Date: September 09, 2021



For and on behalf of the Board of Directors of
EVOLUTIONARY SYSTEMS PRIVATE LIMITED


 [Umang Nahata]
 Director
 DIN : 00326145

[Ashank Desai]
 Director
 DIN : 00017767


 [Nirav Chatri]
 Chief Financial Officer

Disha Shah
 Company Secretary



Place:
 Date: September 09, 2021

Evolutionary Systems Private Limited

Significant accounting policies and Notes to accounts for the year ended 31 March 2021

1 Company overview

The Company is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is engaged in the business of acting primarily as an implementation partner of a suite of software solutions developed by Oracle Corporation. The Company presently has offices at Ahmedabad (Gujarat)

2 Basis of Preparation and Presentation

a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements of the Company as at and for the year ended March 31, 2021 (including Comparatives) were approved and authorized by the Company's board of directors as on September 9, 2021.

All amounts included in financial statements are reported in Indian Rupees unless otherwise stated. The Company has decided not to prepare and present its consolidated financial statements by opting to avail the exemption given under Rule 6 of Companies (Accounts) Rules, 2014 (as amended) read with Section 129(3) of the Companies Act, 2013.

b) Basis of Preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- ii. Defined benefit and other long-term employee benefits
- iii. Derivative financial instruments

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. The Company has considered its operating cycle as a period not exceeding 12 months.

c) Use of estimate and judgement

The preparation of financial statements in conformity with Ind AS 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 and the amounts disclosed as contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

(i) *Income taxes:* Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred taxes : Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

(ii) *Defined benefit plans and compensated absences:* The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) *Property, plant and equipment:* The change in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iv) *Expected credit losses on financial assets:* On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.



(Handwritten signature)

(v) *Leases:* Determining the lease term of contracts with renewal and termination options – Company as lessee

Ind AS 116 requires the lessee to determine 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 has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignores termination option in determination of lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.

(vi) *Estimation uncertainties relating to the Pandemic - COVID -19:* The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. The Company also assess the effectiveness of hedge transactions and believes that probability of occurrence of the forecasted transaction is not impacted by the pandemic. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports, related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

d) Summary of Significant accounting policies

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at each reporting date based on the rate prevailing on such date. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

(iii) Financial instruments

A. Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not recognised at fair value through profit or loss are added to the fair value on initial recognition, transaction costs related to the financial instrument measured at fair value through profit or loss are immediately recognised in statement of profit and loss. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

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

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.



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c. Derivative Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is always a bank. These derivative instruments are designated as cash flow hedges.

The Hedge accounting is discontinued when the hedging instruments are expired or sold, terminated or no longer qualify for hedge accounting. The cumulative gain/loss on the hedging instruments recognised in hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain/loss previously recognised in the cash flow hedging reserve is transferred to the profit and loss upon the occurrence of related forecasted transactions.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

C. Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

Offsetting of financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Property, Plant and Equipment

Property, Plant and Equipment are stated at original cost (net of tax / duty credit availed) less accumulated depreciation and impairment losses (if any). Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

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

Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.

An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/Loss on Sale and disposal of Fixed Assets.

Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows

Category	Useful Life
Building	30-60 years
Plant and equipment	15 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years

At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(v) Leases

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the earlier period has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of Use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.



ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(vi) Impairment of assets

a. Non Financial Instrument

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial instrument

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(vii) Employee Benefits

A. Long Term Employee Benefits

(a) Defined Contribution Plan

The Company has defined contribution plans for post employment benefits in the form of provident fund and employees' state insurance which are administered through Government of India. Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as in the year during which the employee renders the services.

(b) Defined Benefit Plan

Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods. The Company's defined benefit gratuity plan is unfunded at present.

(c) Other long-term employee benefits

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.



B) Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

C) Termination Benefits

Termination Benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(viii) Provisions & Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

(ix) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time, and where there is no uncertainty as to measurement and collectability of consideration, is recognized as per percentage-of-completion method.

Where there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Efforts or costs expended have been used to measure progress towards completion as there is direct relationship between input and productivity.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which the company has an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract liabilities consist of advance payments and billings in excess of revenues recognised. The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performances obligation and customer payment.

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service-level agreements, and (iv) termination or deferral of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(x) Income Tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. Current tax and deferred tax assets and liabilities (respectively) are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xi) Other Income

Other income comprises interest income on deposits, gains / (losses) on disposal of investments except investments fair value through OCL. Interest income is recognized using the effective interest method.



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(xii) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xiii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

(xiv) Finance costs

Finance costs comprises of interest cost on present value of lease payments, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Finance costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(xv) Investment in Subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 – 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105- 'Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale. Provision for impairment in carrying value is evaluated and recognised in a manner similar to impairment mentioned in (vi) above.

(xvi) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

Note 3(a)- Property, plant and equipment

Particulars	Gross Value (at cost)		Depreciation / amortisation		Net Value	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Buildings	88,006,790	-	-	46,842,554	41,164,236	45,584,680
Computers	103,857,380	21,235,235	(34,926,550)	62,928,197	27,237,869	27,109,036
Office equipments	27,593,480	755,517	-	21,890,522	6,458,476	10,210,595
Furniture and fixtures	32,532,162	-	-	21,735,127	10,797,035	14,550,328
Vehicles	7,544,994	5,970,466	-	5,638,865	7,876,595	3,530,821
Total	259,534,906	27,961,218	(34,926,550)	159,035,265	93,534,211	100,985,460

Note 3(b) Right-of-use assets

Particulars	Gross Value (at cost)		Depreciation / amortisation		Net Value	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Right-of-use assets	80,671,255	583,730	-	33,610,814	47,644,171	66,244,080
Total	80,671,255	583,730	-	33,610,814	47,644,171	66,244,080

For the previous year ended March 31, 2020
Property, plant & equipment

Particulars	Gross Value (at cost)		Depreciation / amortisation		Net Value	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Buildings	85,965,850	2,040,940	-	42,422,110	45,584,680	48,375,049
Computers	73,490,858	30,366,522	-	76,748,344	27,109,036	17,818,654
Office equipments	16,113,891	11,479,589	-	17,382,885	10,210,595	4,472,812
Furniture and fixtures	22,558,321	10,173,841	-	17,981,834	14,550,328	8,086,909
Vehicles	6,758,471	786,523	-	4,014,173	3,530,821	4,348,147
Total	204,687,391	54,847,415	-	158,549,346	100,985,460	83,101,571

Right-of-use assets

Particulars	Gross Value (at cost)		Depreciation / amortisation		Net Value	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Building	30,746,545	49,924,710	-	14,427,175	66,244,080	30,746,545
Total	30,746,545	49,924,710	-	14,427,175	66,244,080	30,746,545



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

		As at	
		March 31, 2021	March 31, 2020
4			
a	Investments in Subsidiaries		
	Investment in Subsidiaries at cost (unquoted)		
	Investment in Evolutionary Systems Company Limited - UK 100 (March 31, 2020 - 100) shares of £ 1 each, fully paid up	8,306	8,306
	Investment in Evolutionary Systems Arabia FZ LLC 60 (March 31, 2020 - 60) shares of AED 1000 each	690,000	690,000
	Investment in Evolutionary Systems Qatar W.L.L 98 (March 31, 2020 - 98) shares of QR 1,000 each	1,419,040	1,419,040
	Investments in Evolutionary Systems Company Singapore (Pte) Ltd. 100,000 (March 31, 2020 - 100,000) shares of S\$ 1 each	5,106,592	5,106,592
	Investments in Evolutionary Systems Pty Ltd 50,000 (March 31, 2020 - 50,000) shares of \$ 1 each	2,577,185	2,577,185
	Investments in Evolutionary Systems Saudi LLC - Saudi 50 (March 31, 2020 - 50) shares of SR 5000 each	3,725,000	3,725,000
		13,526,123	13,526,123
	Non-current assets		
b	Loans		
	Unsecured, considered good		
	Security deposits	4,804,345	4,892,345
		4,804,345	4,892,345
c	Other financial assets		
	Advances to employees	535,227	-
		535,227	-
5	Other non-current assets		
	Prepaid expenses	1,067,707	-
		1,067,707	-
	Current assets		
6	Investments		
	(i) Investment in mutual funds		
	Investment in mutual funds at FVTPL (unquoted):		
	Kotak Equity Arbitrage Fund-Growth (1,032,536.866 units, March 31, 2020 - NIL)	29,998,500	-
	Total (A)	29,998,500	-
	Investment in mutual funds at FVOCI (unquoted):		
	HDFC Ultra Short Term - Regular Plan - Growth (6,752,882.798 units, March 31, 2020 - NIL)	79,996,000	-
	ICICI Prudential Ultra Short Term Fund - Growth (3,709,305.732 units, March 31, 2020 - NIL)	79,996,000	-
	Total (B)	159,992,000	-
	Total (A+B)	189,990,500	-
	(ii) Investment in term deposit at amortised cost (unquoted):		
	Term deposit with Axis Bank Ltd.	11,667,839	35,383,566
	Total (C)	11,667,839	35,383,566
	Aggregate amount of unquoted investment in mutual funds (A+B)	189,990,500	-
	Aggregate amount of unquoted investment in term deposits (C)	11,667,839	35,383,566
	Grand Total	201,658,339	35,383,566



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

	As at	
	March 31, 2021	March 31, 2020
7 Trade receivables		
Trade receivables, considered good	287,930,526	251,284,158
Trade receivables which have significant increase in Credit Risk	3,881,130	265,854
Trade receivables - Credit impaired	-	-
Less : Allowance for doubtful receivables	(3,881,130)	(265,854)
Total trade receivables	287,930,526	251,284,158
Current portion	287,930,526	251,284,158
Non-current portion	-	-
Break-up of security details		
Unsecured, considered good	287,930,526	251,284,158
Doubtful	3,881,130	265,854
Total	291,811,656	251,550,012
Allowance for doubtful trade receivables	(3,881,130)	(265,854)
Total trade receivables	287,930,526	251,284,158
8 Cash and cash equivalents		
Cash on hand	41,986	125,500
Bank balances		
In current accounts	98,357,085	170,008,267
	98,399,071	170,133,767
9 Loans		
Unsecured, considered good		
Security deposits	1,224,210	1,344,210
Inter corporate loan	-	5,458,329
	1,224,210	6,802,539
10 Other financial assets		
Advance to employees	1,032,046	684,708
	1,032,046	684,708
11 Other current assets		
Unbilled Revenue	626,952	7,421,389
Prepaid expenses	24,131,681	5,493,306
Input tax credit receivable	51,548,986	27,790,311
Advance to suppliers	902,049	20,725
	77,209,668	40,725,731
12 Equity share capital		
Authorised :		
11,000,000 (March 31, 2020: 11,000,000) equity shares of ₹ 10/- each	110,000,000	110,000,000
	110,000,000	110,000,000
Issued, subscribed and fully paid up :		
10,000,000 (March 31, 2020: 10,000,000) equity shares of ₹ 10/- each fully paid	100,000,000	100,000,000
	100,000,000	100,000,000



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance as at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Add: Addition on account of issue of shares	-	-	-	-
Balance as at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their (paid up) shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Ummed Nahata	2,712,000	27.12%	2,712,000	27.12%
Mr. Umang Nahata	3,616,000	36.16%	3,616,000	36.16%
Mr. Rakesh Raman	2,712,000	27.12%	2,712,000	27.12%

13 Other equity

(a) General reserve

This represents appropriation of profit by the company

(b) Retained earnings

Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year

(c) Other comprehensive income

Employee benefit expenses

Fair value of cash flow hedge

	As at	
	March 31, 2021	March 31, 2020
General reserve	12,270,000	12,270,000
Retained earnings	447,911,247	285,690,027
Other comprehensive income		
Employee benefit expenses	(17,438,386)	(8,042,016)
Fair value of cash flow hedge	(2,323,816)	-
Total	440,419,045	289,918,011

Non-current liabilities

14 Borrowings

Secured

Vehicle loans from bank (Refer note (i) below)

	As at	
	March 31, 2021	March 31, 2020
Vehicle loans from bank	4,758,131	-
Total	4,758,131	-

(i) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against.

Monthly payment of Equated monthly installments beginning from the month subsequent to taking the loan along with interest at 7.7% - 8.25% per annum is payable till March 2026.

15 Other financial liabilities

Lease liabilities (Refer note 35)

Foreign exchange forward contract

	As at	
	March 31, 2021	March 31, 2020
Lease liabilities	35,782,569	48,466,675
Foreign exchange forward contract	2,657,366	-
Total	38,439,935	48,466,675

16 Provisions

Provision for employee benefits

Provision for gratuity (Refer note 27)

	As at	
	March 31, 2021	March 31, 2020
Provision for employee benefits	66,428,181	46,436,947
Total	66,428,181	46,436,947



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

Current liabilities		As at	
17 Other financial liabilities		March 31, 2021	March 31, 2020
Current maturities of vehicle loans from bank (Refer note 14(i) above, for security)		1,036,835	87,852
Lease liability (Refer note 35)		18,292,613	21,506,118
Capital creditors		5,318,718	-
Other payables			
Employee benefits payable		83,465,398	-
Accrued expenses		13,756,440	201,187,500
Foreign exchange forward contract		448,011	1,230,044
		122,318,015	224,011,514
18 Other current liabilities		As at	
		March 31, 2021	March 31, 2020
Contract liabilities		302,673	305,936
Statutory dues (including stamp duty, provident fund and tax deducted at source)		10,832,638	2,505,915
		11,135,311	2,811,851
19 Provisions		As at	
		March 31, 2021	March 31, 2020
Provision for employee benefits			
Provision for gratuity (Refer note 27)		3,661,441	999,330
Provision for leave entitlement (Refer note 27)		26,449,002	7,339,211
		30,110,443	8,338,541
20 Revenue from operations		For the year ended	
		March 31, 2021	March 31, 2020
Information Technology Services			
Export services		1,397,062,233	1,406,111,590
Domestic services		18,704,170	29,228,448
		1,415,766,403	1,435,340,038
21 Other income		For the year ended	
		March 31, 2021	March 31, 2020
Interest income - On fixed deposits		285,436	5,843,749
- On others		124,192	-
Profit on sale of current investments		5,384,528	-
Dividend from mutual fund		-	2,293,079
Net gain on foreign currency transactions and translation		3,138,155	23,398,000
Others		3,610,624	35,650
		12,542,935	31,570,478
22 Employee benefits expenses		For the year ended	
		March 31, 2021	March 31, 2020
Salary and bonus		1,033,562,824	1,021,228,624
Gratuity (Refer note 27)		12,790,163	12,280,828
Contribution to provident and other funds		13,763,495	10,038,906
Staff welfare expense		14,841,431	13,324,055
		1,074,957,913	1,056,872,413



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

	For the year ended	
	March 31, 2021	March 31, 2020
23 Finance costs		
Interest on vehicle loan	107,862	23,544
Interest on lease liabilities		
Operating lease (Refer note 35)	6,767,507	5,606,978
Interest on bank loan	-	14,549
Bank charges	65,932	-
Other finance charges	93,299	2,003
	7,034,600	5,647,074

	For the year ended	
	March 31, 2021	March 31, 2020
24 Depreciation		
Property, plant and equipment	33,683,389	36,963,526
Right-of-use assets	19,183,639	14,427,175
	52,867,028	51,390,701

	For the year ended	
	March 31, 2021	March 31, 2020
25 Other expenses		
Repairs and maintenance	2,777,644	3,556,052
Office expenses (Including office maintenance)	6,472,379	11,331,010
Guest house expenses	-	150,460
Travelling expenses	7,395,396	157,515,127
Conveyance and vehicle expenses	400,616	3,870,332
House keeping expenses	1,714,035	5,134,331
Business development expenses	1,912,506	5,229,848
Postage and telephone expenses	4,832,295	5,988,793
Legal and professional charges	7,879,006	12,665,687
Audit fee (Refer note 37)	1,965,000	350,000
Stationary and printing expenses	63,870	619,251
Insurance expenses	396,634	6,534,527
Donation	41,751	17,000
Expenditure towards corporate social responsibility (CSR) activities (Refer note 40)	2,150,064	1,624,616
Recruitment expenses	2,138,796	2,505,043
Rent rates and taxes	4,035,950	10,099,754
Electricity expenses	2,664,639	5,828,730
Membership fees	579,000	3,000
Training expenses	398,616	18,987
Software expenses	20,981,907	9,284,113
Loss on disposal of Property, Plant and Equipment	1,729,080	-
Penalty	-	4,717,796
Provision for bad and doubtful debts	3,881,130	265,854
	74,410,314	247,310,311

	For the year ended	
	March 31, 2021	March 31, 2020
26 Earnings per share (EPS)		
The components of Basic and Diluted earnings per share for total operations are as follows:		
a) Net income attributable to equity shareholders	162,221,220	3,791,604,106
b) Weighted average number of outstanding equity shares considered for basic and diluted EPS	10,000,000	10,000,000
c) Earnings per share in ₹ (Face value per share ₹ 10/- each)		
Basic and Diluted	16	379



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

27 Employee benefit plans

(a) Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Gratuity cost		
Service cost	9,553,612	6,551,991
Net interest on net defined liability	3,236,551	2,170,573
Past service cost	-	3,558,264
Net gratuity cost	12,790,163	12,280,828
Actuarial gain / (loss) charged to Other Comprehensive Income	(12,556,620)	(10,418,041)
Interest rate	6.84%	6.80%
Salary increase	6.00%	6.00%

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

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) UH Table. Attrition rate is considered 7% per annum at all ages.

The following table sets out the status of gratuity plan.

Particulars	As at	
	March 31, 2021	March 31, 2020
Obligation at the beginning of the year	47,436,277	27,935,297
Service cost	9,553,612	6,551,991
Past service cost	-	3,558,264
Interest cost	3,236,551	2,170,573
Actuarial loss - financial assumption	385,112	6,753,015
Actuarial loss - experience	12,206,978	3,665,026
Actuarial (gain) - demographic assumptions	(35,470)	-
Benefits paid	(2,693,438)	(3,197,889)
Obligation at the end of the year	70,089,622	47,436,277

Amounts recognised in the Balance Sheet

Particulars	As at	
	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	70,089,622	47,436,277
(Liability) recognized	(70,089,622)	(47,436,277)

The experience adjustments, meaning difference between changes in obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	As at	
	March 31, 2021	March 31, 2020
Experience adjustment on plan liabilities - gain / (loss)	(12,556,620)	(10,418,041)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at			
	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	65,280,952	74,969,539	(3,808,155)	4,275,648
Salary Growth (50 bps)	74,044,562	65,925,506	3,477,049	(3,278,167)

Maturity profile of defined benefit obligation:

Particulars	As at
	March 31, 2021
1 Year	3,661,441
2 Year	3,942,994
3 Year	4,269,673
4 Year	4,586,644
5 Year	4,445,042
6 Year	4,229,243
7 Year	4,102,859
8 Year	3,955,089
9 Year	3,838,760
10 Year and beyond	190,379,916

(b) Defined Contribution Plan

The Company contributed ₹. 13,666,922 for the year ended March 31, 2021 (₹. 10,038,906 for March 31, 2020) for the defined contribution plan.



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

28 Income taxes

a) Income tax expense/ (credit) in the statement of profit and loss consists of:

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current tax	66,479,506	800,000,000
Income tax relating to earlier years	-	1,516,149
Deferred tax	(9,661,243)	4,211,841
Income tax expense recognised in the statement of profit and loss	56,818,263	805,727,990
Income tax credit recognised in other comprehensive income	3,941,811	2,622,013

b) The reconciliation between the provision of income tax of the company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	219,039,483	4,597,332,096
Enacted income tax rate in India	25.168%	25.168%
Computed expected tax expense	55,127,857	797,365,844
Effect of:		
Expenses that are not deductible in determining taxable profit	1,258,243	22,834,013
Tax on Income chargeable at different rate	432,163	-
Deductible expenses for tax purposes	-	15,988,016
Income tax relating to earlier years	-	1,516,149
Total income tax expense recognised in the statement of profit and loss	56,818,263	805,727,990

c) The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2021 is as follows:

Particulars	Carrying value as at April 1, 2020	Changes through profit and loss	Additions through business transfer	Changes through OCI	Utilisation of MAT credit	Carrying value as at March 31, 2021
Property, plant and equipment	4,343,128	2,780,755	-	-	-	7,123,883
Provision for doubtful debts	-	976,803	-	-	-	976,803
Provision for compensated absence/ gratuity	13,746,334	5,882,724	-	3,160,250	-	22,789,307
Cash flow hedge	-	-	-	781,561	-	781,561
Others	99,096	20,961	-	-	-	120,057
Total	18,188,558	9,661,243	-	3,941,811	-	31,791,612

29 Related Party Disclosures, as per Ind AS 24

Relationships have been disclosed where transactions have taken place and relationships involving controls:

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek Limited	Ultimate holding company (Refer note 38)	India
Trans American Information Systems Private Limited	Holding company (Refer note 38)	India
Evolutionary Systems Arabia FZ.LLC	Subsidiary company	United Arab Emirates
Evolutionary Systems Company Limited- UK	Subsidiary company	United Kingdom
Evolutionary Systems Qatar WLL	Subsidiary company	Qatar
Evolutionary Systems Saudi LLC	Subsidiary company	Kingdom of Saudi Arabia
Evolutionary Systems Singapore (pte) Ltd	Subsidiary company	Singapore
Evolutionary Systems Corp. -USA	Subsidiary company	United States of America
Evolutionary Systems PTY LTD	Subsidiary company	Australia
Evolutionary Systems Consultancy I.J.C.	Fellow subsidiary	United Arab Emirates
Mastek Arabia FZ.LLC	Fellow subsidiary	United Arab Emirates
Evolutionary Systems BV	Fellow subsidiary	Netherlands
EvoSys Consultancy Services Pvt Ltd	Fellow subsidiary	India
Rakesh Raman	Director	
Umang Nahata	Director	
Ummed Nahata (resigned w.e.f March 01, 2020)	Director	
Ashank Desai (appointed w.e.f March 01, 2020)	Director	
Sudhakar Ram (appointed w.e.f March 01, 2020 and upto November 08, 2020)	Director	
Srinivasan Sandilya (appointed w.e.f March 01, 2020)	Non-Executive Director	
Nirav Khatri	Chief Financial Officer	
Disha Shah	Company Secretary	
Tarun Nahata	Relative of key management personnel	



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

Transaction with above related parties during the year were:-

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2021	March 31, 2020
Umaug Nahata	Loan Taken	-	1,386,996
	Loan repaid	-	1,412,368
Evolutionary Systems Arabia FZ-LLC	Sale of services	-	218,715,294
	Dividend Received	-	4,491,642,079
	Corporate Guarantee vacated	-	265,800,000
Mastek Arabia FZ-LLC	Sale of services	118,521,446	-
Evolutionary Systems Consultancy LLC	Sale of services	64,200,549	-
Evolutionary Systems Company UK	Sale of services	276,124,635	443,653,198
Evolutionary Systems BV	Sale of services	115,648,066	-
Evolutionary Systems Qatar WLL	Sale of services	59,997,227	94,641,918
Evolutionary Systems Saudi LLC	Sale of services	251,498,298	-
Evolutionary Systems Singapore (Pte) Ltd	Sale of services	132,945,386	90,633,314
Evolutionary Systems Corp, -USA	Sale of services	253,463,627	154,856,616
	Reimbursement of expenses	-	34,196,800
Evolutionary Systems pty ltd	Sale of services	124,083,134	49,039,683
Evosys Consultancy Services Pvt Ltd	Sale of services	-	10,376,000
Mastek Limited	Expense on information technology services	21,897,398	-

Transactions with key management personnel of the company and their relative

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salary and other employee benefits	41,585,234	43,209,212
Dividend paid	-	3,760,700,000

Note: Salary and other employee benefits to key managerial person does not include post employment benefits based on actuarial valuation as this is computed for the company as a whole

Balances with related parties outstanding are as follows:-

Name of Related Party	Nature of balances	As At	
		March 31, 2021	March 31, 2020
Evolutionary Systems Arabia FZ-LLC	Trade receivables	-	25,344,310
	Corporate guarantee given	-	265,800,000
Evolutionary Systems Consultancy LLC	Trade receivables	28,574,002	-
Mastek Systems Arabia FZ-LLC	Trade receivables	27,229,886	-
Evolutionary Systems Company UK	Trade receivables	32,762,978	61,042,504
Evolutionary Systems Qatar WLL	Trade receivables	29,452,255	22,870,321
Evolutionary Systems Saudi LLC	Trade receivables	46,221,367	-
Evolutionary Systems BV	Trade receivables	24,040,287	-
Evolutionary Systems Singapore (pte) Ltd	Trade receivables	30,292,786	13,779,254
Evolutionary Systems Corp, -USA	Trade receivables	49,782,709	43,602,647
Evolutionary Systems pty ltd	Trade receivables	13,988,593	16,691,996
Evosys Consultancy Services Pvt Ltd	Trade receivables	-	(3,125,000)
Mastek Limited	Trade payables	7,472,223	-



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

30 Segment

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance as one business segment which is a single reportable segment. Accordingly, disclosures in the statement of profit and loss give the disclosure of the business segment of the company.

Non-current assets other than financial instrument, deferred tax asset and employee benefits have not been identified to any of the geography as they are used interchangeably between geographies.

Accordingly disclosures relating to total segment assets and liabilities are not practicable.

31 Financial instrument

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial asset				
Amortised cost				
Trade receivables (net of provisions)	287,930,526	251,284,158	287,930,526	251,284,158
Cash and cash equivalents	98,399,071	170,133,767	98,399,071	170,133,767
Investment in term deposits	11,667,839	35,383,566	11,667,839	35,383,566
Loans	6,028,555	11,694,884	6,028,555	11,694,884
Other financial assets	1,567,273	684,708	1,567,273	684,708
FVOCI				
Investment in mutual funds	159,992,000	-	159,992,000	-
FVTPL				
Investment in mutual funds	29,998,500	-	29,998,500	-
Total assets	595,583,764	469,181,083	595,583,764	469,181,083
Financial liabilities				
Amortized cost				
Borrowings	5,794,966	87,852	5,794,966	87,852
Trade payables	38,506,356	13,190,850	38,506,356	13,190,850
Lease liabilities	54,075,182	69,972,793	54,075,182	69,972,793
Other financial liabilities	102,540,556	201,187,500	102,540,556	201,187,500
FVOCI				
Derivative liabilities	3,105,377	1,230,044	3,105,377	1,230,044
Total Liabilities	204,022,437	285,669,039	204,022,437	285,669,039

32 Fair value hierarchy

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).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
FVOCI financial assets designated at fair value					
Investment in mutual fund	March 31, 2021	159,992,000	159,992,000	-	-
FVTPL financial assets designated at fair value					
Investment in mutual fund	March 31, 2021	29,998,500	29,998,500	-	-
Financial liabilities measuring at fair value					
Derivative liabilities					
Foreign exchange forward contract	March 31, 2021	3,105,377	-	3,105,377	-

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial liabilities measuring at fair value					
Derivative liabilities					
Foreign exchange forward contract	March 31, 2020	1,230,044	-	1,230,044	-

33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's management oversees the management of these risk and formulates the policies, the Board of Directors reviews and approves policies for managing each of these risks, which are summarised below:

Market risk: Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. The primary market risk to the Company is foreign exchange risk.



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

Foreign currency risk

The Company's exposure to risk of change in foreign currencies exchange rates arising from foreign currency transactions, is primarily with respect to the currencies which are not fixed. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the company. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The counter parties of these derivative instruments are a bank. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

These derivative financial instruments are forward contracts and are qualified for cash flow hedge accounting when the instrument is designated for hedge. Company has designated major portion of derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Designated derivative instrument	As at	
	March 31, 2021	March 31, 2020
Forward contract (Amount in USD lakhs)	41	4
Forward contract (Amount in GBP lakhs)	17	-
No. of contracts	132	4
Fair value gain	3,105,377	1,230,044

Forward contracts covers part of the exposure during the period April 2019 - January 2024

Mark-to-Market (gains) / losses	As at	
	March 31, 2021	March 31, 2020
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	-	-
Less: Released from Hedging reserve account to statement of profit and loss under revenue account upon occurrence of forecasted sale	-	-
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	(3,105,377)	-
Closing balance of Mark-to-market (loss) receivable on outstanding derivative contracts	(3,105,377)	-
Disclosed under:		
Other current financial liabilities (Refer note 17)	448,011	-
Other non-current financial liabilities (Refer note 15)	2,657,366	-
	3,105,377	-

Non-derivative financial instruments

The following table presents foreign currency risk from non- derivative financial instrument (unhedged) as of 31 March 2021 and 31 March 2020

Particulars	As at 31 March 2021			As at 31 March 2020		
	GBP	USD	INR	GBP	USD	INR
Assets	25288	2,705,483	199,124,418	652,861	2,101,426	219,343,289
Liabilities	-	-	-	-	-	-
Net assets/(liabilities)	25,288	2,705,483	199,124,418	652,861	2,101,426	219,343,289

As at 31 March 2021 and 31 March 2020, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 883,000 and ₹ 292,000 respectively.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidation through rolling forecast on the basis of expected cash flows.

The liquidity position of the Company is given below

Particulars of current financial assets	As at	
	March 31, 2021	March 31, 2020
Cash and cash equivalents	98,399,071	170,133,767
Balances in fixed deposits	11,667,839	35,383,566
Investment in mutual funds	189,990,500	-
Total	300,057,411	205,517,333



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Less than 1 Year	1 Year and above	Less than 1 Year	1 Year and above
Borrowing	1,036,835	4,758,131	87,852	-
Trade payables	38,506,356	-	13,190,835	-
Lease Liabilities	18,292,613	35,782,569	21,506,118	48,466,675
Other financial liabilities	102,540,556	-	201,187,500	-
Derivative Financial Instruments	3,105,377	-	1,230,044	-

34 Capital Management

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. The capital structure is as follows:

Particulars	As At	
	March 31, 2021	March 31, 2020
Total equity attributable to the equity share holders of Company	540,419,045	389,918,011
As percentage of total Capital	100%	99.98%
Current loan and borrowing	1,036,835	87,852
Non current loan and borrowing	4,758,131	-
Total loan and borrowing	5,794,966	87,852
As a percentage of total Capital	1.06%	0.02%
Total Capital (borrowing and equity)	546,214,011	390,005,863

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been a net cash company with cash and bank balances along with current financial assets which is predominantly investment in liquid fund.

35 Leases

Company as lessee

The Company's leased assets primarily consist of leases for office premises, guest houses, laptops, lease lines, furniture and equipment. Leases of office premises and guest houses generally have lease term between 2 to 3 years. The Company has applied low value exemption for leases laptops, leaselines, furniture and equipment and accordingly are excluded from Ind AS 116.

i) The carrying amounts of right-of-use assets recognised and the movements during the period (Refer note 3(b))

ii) Below are the carrying amounts of operating lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at 31 March 2021
As at 1 April 2020	69,972,793
Additions	-
Accretion of interest	6,767,507
Payments	22,665,118
As at 31 March 2021	54,075,182
Current	18,292,613
Non-current	35,782,569

The contractual maturity analysis of lease liabilities (includes amount not falling under Ind AS 116) are disclosed herein on an undiscounted basis-

Particulars	Amount (INR)
Less than one year	18,468,393
More than one year less than 5 years	35,782,569
More than 5 years	-

The effective interest rate for lease liabilities is 11%

iii) The following are the amounts recognised in profit or loss:

Particulars	Year ended 31 Marh 2021
Depreciation expense of right-of-use assets	19,183,639
Interest expense on lease liabilities	6,767,507
Expense relating to short-term leases (included in other expenses)	-
Expense relating to leases of low-value assets (included in other expenses)	-
Total amount recognised in profit or loss	25,951,146

The Company had total cash outflows for leases of ₹ 15,897,611 in FY 2020-21 (₹ 44,833,225 in FY 2019-20).

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonably certain to exercise extension option and not to exercise termination option, the Company has opted to include such extended term and ignore termination option in determination of lease term.



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in ₹)

36 Micro, Small and Medium Enterprises

Disclosure of payable to micro and small enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or on balance brought forward from previous year.

Particulars	As at	
	March 31, 2021	March 31, 2020
a) The principal amount remaining unpaid to any supplier at the end of the period	1,110,928	99,365
b) Interest due remaining unpaid to any supplier at the end of the period	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

37 Payments to the Auditors

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
As auditors - statutory audit	1,965,000	225,000
Tax audit	-	75,000
Taxation matters	-	50,000
	1,965,000	350,000

38 Note on acquisition

During the previous year, the Trans American Information Systems Private Limited (Holding Company) acquired control over the overseas business of Evolutionary Systems Private Limited (ESPL) (including investments in certain subsidiaries of ESPL), the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, is decided to be achieved through a demerger scheme filed before the NCLT ("the Scheme"), or, as per DCA between parties and the sellers of Evosys, the parties shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives the Holding company the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provides for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to company. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to company, i.e. February 8, 2020. Discharge of consideration for demerger will be done through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Company which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ending March 31, 2021. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the financial statements for the years ended March 31, 2020 and 2021 and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA.

39 Covid-19 Assessment

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 March 31, 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. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. 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.



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EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in ₹)

40 Expenditure on Corporate Social Responsibilities

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Amount required to be spent as per Section 135 of the Companies Act	2,150,064	1,624,616
Amount spent during the year	2,150,064	1,624,616

41 Contingent Liability

Corporate Guarantee given to Bank for Loan taken By Evolutionary Systems Arabia FZ-LLC ₹ NIL (As at 31 March 2020, ₹ 26,58,00,000)

These are the notes to accounts referred to in our report of even date.

For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm Registration Number: 001076N/N500013

Adi P. Sethna
 Partner
 Membership No.: 108840
 Place: Mumbai
 Date: September 09, 2021



For and on behalf of the Board of Directors of
EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Uttam Nahata
 [Uttam Nahata] [Ashank J. Patel]
 Director Director
 DIN : 00123145 DIN : 00017767

[Niraj Khatri]
 Chief Financial Officer
 Place:
 Date: September 09, 2021

Disha Shah
 Disha Shah
 Company Secretary

