Mastek Arabia FZ-LLC

Financial Statements

For the year ended 31 March 2022

STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022 AED	2021 AED
ASSETS			
Non-current			
Property and equipment	**6**	**255,497**	190,489
Intangible asset	**7**	**159,966,394**	159,966,394
Investment in subsidiary companies	**8**	**39,894,000**	39,894,000
		200,115,891	200,050,883
Current			
Trade and other receivable	**9**	**35,185,194**	26,769,555
Cash and cash equivalents	**10**	**10,494,829**	17,107,328
		45,680,023	43,876,883
TOTAL ASSETS		**245,795,914**	243,927,766
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**11**	**238,229,738**	238,229,738
Share application money		**-**	-
(Accumulated losses)/retained earnings		**(6,331,271)**	(2,267,795)
Other comprehensive income- Gratuity		**658,853**	294,062
TOTAL EQUITY		**232,557,320**	236,256,005
LIABILITIES			
Non current			
Borrowings		**4,845,666**	-
Vehicle loan	**12**	**6,812**	33,497
Employee's end of service benefits	**13**	**743,368**	901,999
		5,595,846	935,496
Current			
Vehicle loan	**12**	**26,686**	24,988
Trade and other payables	**14**	**7,616,062**	6,711,277
		7,642,748	6,736,265
Total equity and liabilities		**245,795,914**	243,927,766

The financial statements for the year ended March 31, 2022 (including comparatives) were approved on _____, 2022 by:

Mr.Rakesh Raman
POA holder of the company

The accompanying notes 1-26 form an intergral part of the financial statements

Statement Of Comprehensive Income
For the year ended 31 March 2022

	Note	Year ended 31 March 2022 AED	Year ended 31 March 2021 AED
Revenue	15	21,038,953	20,455,245
Cost of sales	16	(22,429,677)	(20,197,118)
Gross profit		(1,390,724)	258,127
Administrative,selling and general expenses	17	(2,307,444)	(1,887,179)
Other income	18	596,153	305,190
Finance cost	19	(197,828)	(308,349)
Net profit/(loss) before taxes for the year		(3,299,843)	(1,632,210)
Withhold taxes		(763,632)	(4,866)
Net profit/(loss) before taxes for the year		(4,063,475)	(1,637,077)
Other comprhensive income (OCI)			
Defined benefit plan actuarial gain		364,791	294,062
Total other comprehensive income for the year		364,791	294,062
Total comprehensive (loss)/income for the year		(3,698,684)	(1,343,015)

The accompanying notes 1-26 form an intergral part of the financial statements

Mr.Rakesh Raman
POA holder of the company

Mastek Arabia FZ-LLC
Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2022

	Share capital AED	Share application money AED	(Accumulated losses)/retained earnings AED	Other comprehensive income- Gratuity AED	Total equity
Balance at 1 April 2020	10,000	238,219,738	(630,719)	-	**237,599,019**
Share capital introduced	238,219,738	(238,219,738)	-	-	**-**
Total comprehensive (loss) for the year	-		(1,637,077)	294,062	**(1,343,015)**
Balance at 31 March 2021	**238,229,738**	**-**	**(2,267,795)**	**294,062**	**236,256,004**
Shares issued during the year	-	-	-	-	**-**
Total comprehensive (loss) for the year	-	-	(4,063,475)	364,791	**(3,698,684)**
Balance at 31 March 2022	**238,229,738**	**-**	**(6,331,271)**	**658,853**	**232,557,320**

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Mr.Rakesh Raman
POA holder of the company

The accompanying notes 1-26 form an intergral part of the financial statements

Mastek Arabia FZ-LLC
Financial Statements

Statement of cash flows
For the year ended 31 March 2022

	Year ended 31 March 2022 AED	Year ended 31 March 2021 AED
OPERATING ACTIVITIES		
Net profit/(loss) for the year	**(4,063,475)**	(1,637,077)
Adjustments:		
Depreciation	**100,932**	69,548
Bad debts written-off	**-**	152,993
Provison for bad debts	**-**	(285,957)
Recovery of bad debts written-off	**(589,227)**	(45,482)
Finance cost	**197,828**	308,349
Tax expense	**763,632**	4,866
Provision for employees' end of service benefits	**294,647**	497,329
Operating cash flows before working capital changes	**(3,295,663)**	(935,430)
Net changes in working capital		
Trade and other receivables	**(8,415,638)**	11,187,872
Trade and other payables	**730,378**	(422,233)
Employee's end of service benefits paid	**(88,487)**	(10,440)
Net cash generated from operating activities	**(11,069,410)**	9,819,769
INVESTING ACTIVITIES		
Purchase of property and equipment	**(165,940)**	(91,835)
Net cash used in investing activities	**(165,940)**	(91,835)
FINANCING ACTIVITIES		
Loan received from related entity	**4,845,666**	-
Finance cost	**(197,828)**	(308,349)
(Repayment)/availment of vehicle loan	**(24,988)**	(23,397)
Net cash used in financing activities	**4,622,850**	(331,746)
Net change in cash and cash equivalent	**(6,612,500)**	9,396,187
Cash and cash equivalents, beginning of the year	**17,107,329**	7,711,142
Cash and cash equivalents, end of the year	**10,494,829**	17,107,329

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Mr.Rakesh Raman
POA holder of the company

The accompanying notes 1-26 form an intergral part of the financial statements

1. Legal status and business activity

MASTEK ARABIA FZ-LLC ("The Company") is a free zone company with limited liability, company incorporated on 03 March 2020 with the Dubai Development Authority, Dubai, U.A.E. under commercial license no. 97085.

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

These financial statements are not the consolidated financial statements and do not include the assets, liabilities and results of the operations of its subsidiary companies, Evolutionary Systems Bahrain S.P.C., (Kingdom of Bahrain) and Evolutionary Systems Saudi LLC, (Kingdom of Saudi Arabia), Evosys Kuwait Designing & Development LLC, (Kuwait), Evolutionary Systems Consultancy (Abu Dhabi, U.A.E.) and Evolutionary System Egypt LLC, (Egypt). The consolidated financial statements of the group are prepared by the ultimate parent company, Mastek Limited, India.

During the previous period, the company had entered into Business Transfer Agreement ('BTA') with Evolutionary Systems Arabia FZ LLC dated 8th February 2020 to purchase entire business from Evolutionary Systems Arabia FZ LLC on slump sale basis for a lump sum consideration of USD 64.90 million without values being assigned to individual assets and liabilities together with all the tangible and intangible assets, relating thereto with a view that the company will carry on the MENA Region Business and the Business Undertaking as a going concern from BTA Closing date. The right of the company to assume rights and obligations from the Seller (the Evolutionary System Arabia FZ LLC) in BTA is effective from 1st February 2020 but the company has exercised rights effective 1st March 2020. Accordingly, accounting treatment of the 'BTA' was executed on 1 March 2020 (opening hours) between the Company and Evolutionary Systems Arabia FL LLC. As a result, the assets and liabilities covered by BTA and the operation of the Evolutionary Systems Arabia FZ LLC was transferred to the company effective 1st March 2020 (opening hours). The company has also acquired 5 subsidiaries in MENA region by virtue of BTA.

2. Statement of compliance

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

3. Standards, interpretations, and amendments to existing standards

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

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

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

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

New Standards Not adopted yet and affective for the financial periods from 1st January 2022:

International Financial Reporting Standard (17) "Insurance Contracts"

In May 2017, the International Council of International Standards issued the International Financial Reporting Standard (17) "Insurance Contracts", which is a new comprehensive accounting standard for insurance contracts that covers recognition, measurement, presentation and disclosure. When it enters into force, the Standard (17) will replace the International Financial Reporting Standard (4) "Insurance Contracts" that was issued in 2005. Criterion (17) applies to all types of insurance contracts (life insurance, direct insurance and reinsurance) regardless of the type of establishment that issued them in addition to some guarantees and financial instruments with optional participation benefits. There are some exemptions that will apply. The overall objective of standard (17) is to provide an accounting model for insurance contracts that are more useful and reliable for insurance companies. In contrast to the requirements of the International Financial Reporting Standard (4), which relies to a large extent on previous domestic accounting policies, Standard (17) provides a comprehensive model for insurance contracts that covers all relevant aspects of accounting. The core of standard (17) is a generic model augmented by the following:

Specific application of contracts with direct participation characteristics (variable fee method).
A simplified method (the bonus allocation method) mainly for short-term contracts.
The application of IFRS 17 is effective for financial reporting periods starting January 1, 2023, or after this date, with comparative figures being shown. Early application is permitted provided that an entity applies IFRS (9) and IFRS (15) on or before the date on which the standard was first applied (17). This standard does not apply to the company.

Amendments to IAS 1, "Presentation of Financial Statements" to the classification of liabilities as current or noncurrent

The limited scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as current or non-current, depending on the rights existing at the end of the reporting period. The rating is not affected by the entity's expectations or events after the reporting date (for example, receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of an obligation. Adjustments may affect liability classification, Especially for the establishments that previously considered the management's intentions to determine the classification and for some liabilities that could be converted into equity. They should be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, changes in accounting estimates and errors. In May 2020, the International Accounting Standards Board (IASB) issued a draft proposal proposing to postpone the effective date of the amendments to January 1, 2023. The company did not implement early implementation of this amendment.

International Accounting Standard 16 (Property, Plant and Equipment) - Collection before use

The amendment to IAS 16 prohibits any entity from deducting from the cost of any item of property, plant and equipment any proceeds received from the sale of items produced while the entity prepares the asset for its intended use. It also clarifies that the entity "tests whether the asset is functioning properly" when it evaluates the technical and physical performance of the asset. The financial performance of the asset is not relevant to this evaluation. Entities must separately disclose amounts of revenue and costs related to items produced that are not an output from the entity's normal activities. The amendments to International Accounting Standard (16) shall be applied to financial reporting periods starting 1 January 2022.

Amendments to IFRS (3) Business Definition - an indication of the conceptual framework

Minor amendments have been made to IFRS 3 for business combinations to update references to the conceptual framework for financial reporting and to add an exception to recognize liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities, Contingent Assets and Interpretation of Fees (21). The amendments also confirm that potential assets should not be recognized at the date of acquisition. The amendments to International Accounting Standard (16) shall be applied to financial reporting periods starting 1 January 2022.

Onerous Contracts - Cost of implementing contract amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the additional costs of fulfilling the contract and the allocation of other costs directly related to the execution of contracts. Before

3. Standards, interpretations, and amendments to existing standards (continued)

recognizing a separate provision for a contract carrying a loss, an entity recognizes any impairment loss in the value of the assets used in performing the contract. The amendments to International Accounting Standard (37) shall be applied to financial reporting periods starting 1 January 2022.

Sale or contribution of assets between the investor and his associate or joint venture - Amendments to IFRS 10 and IAS 28

The International Accounting Standards Board made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution to assets between the investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-cash assets sold or the contribution to an associate or a joint venture constitute a "business activity" (as defined in IFRS 3 Business Combinations). The entire profit or loss from the sale will be recognized. Assets or contributions to them, if assets do not meet the definition of a business, profits or losses are recognized by the investor only to the extent of the other investor's shares in the associate or joint venture company. The amendments apply with a prospective effect. In December 2015, the International Accounting Standards Board decided Postponing the application date of this amendment until the International Accounting Standards Board has completed its research project on the equity method.

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

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

4. Summary of significant accounting policies

a) Overall considerations

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

b) Foreign currency

Functional and presentation currency

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

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4. Summary of significant accounting policies (continued)

c) Financial instruments

Recognition and Initial measurement

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

Classification and subsequent measurement of financial assets

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

Financial assets at amortised cost (debt instruments)

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

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

Financial assets at fair value through profit or loss

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

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

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

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

4. Summary of significant accounting policies (continued)

c) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities

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

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

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

Derecognition of financial assets and financial liabilities

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

A financial liability is dereeognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities

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

4. Summary of significant accounting policies (continued)

c) Financial instruments (continued)

Impairment of financial assets

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

Expected credit losses are recognised in two stages.

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

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

Contract assets

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

Accounts receivables

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

Contract liabilities

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

4. Summary of significant accounting policies (continued)

d) Unbilled revenue

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

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

e) Provision

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

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

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

f) Staff end of service benefits

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

g) Value Added Tax

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

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

h) Short-term lease

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

4. Summary of significant accounting policies (continued)

i) Revenue recognition

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

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

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

Deferred revenue, contract liabilities under 1FRS 15, relate to payments received in advance of performance under contracts with customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies its performance obligations under the contracts.

Services

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

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

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

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

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

j) Cash and cash equivalents

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

4. Summary of significant accounting policies (continued)

k) Property and equipment

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

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

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

l) Equity and reserves

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

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

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

m) Administrative, selling and general expenses

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

n) Investment in subsidiaries

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- The Investor has power over the investee
- It is exposed to rights of variable returns and
- It has the ability to use its power to affect the amount of the returns.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Investment in subsidiaries is stated at cost less provision for impairment if any.

Income from investment in subsidiaries is accounted only to the extent of receipt of distribution of accumulated net profits of subsidiary. Distributions received in excess of such profits are considered as a recovery of investments and are recorded as a reduction of the cost of investments.

4. Summary of significant accounting policies (continued)

o) Intangible asset

Intangible asset represents goodwill for the excess of the purchase price over the fair value of identifiable tangible and intangible assets and liabilities of the business acquired.

Intangible assets with indefinite useful lives are stated at cost less impairment, if any and are not amortized. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount. Such impairment losses are reported in the statement of comprehensive income.

5. Significant management judgment in applying accounting policies

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

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

Impairment

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

Key sources of estimation uncertainty and assumptions

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

Provision for expected credit losses of trade receivables and contract assets

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

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

Kg sources of estimation uncertainty and assumptions (continued)

Unbilled revenue

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

Revenue recognition

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

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

Useful lives of depreciable assets

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

Determining the lease term of contracts with renewal options

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

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

6 Property and equipment

	Furniture and office equipments AED	Vehicles AED	Total AED
Cost:			
On account of acquisition	**900,117**	**249,473**	**1,149,590**
Additions during the year	91,835	-	91,835
Balance at 31 March 2021	**991,952**	**249,473**	**1,241,425**
Additions during the year	165,940	-	165,940
Deletions during the year	-		-
Balance at 31 March 2022	**1,157,892**	**249,473**	**1,407,365**
Depreciation:			
On account of acquisition	**816,220**	**165,168**	**981,388**
Charge during the year (refer note 17)	42,920	26,628	69,548
Balance at 31 March 2021	**859,140**	**191,796**	**1,050,936**
Charge during the year (refer note 17)	74,304	26,628	100,932
Balance at 31 March 2022	**933,444**	**218,424**	**1,151,868**
Net book amount:			
Balance at 31 March 2022	**224,448**	**31,049**	**255,497**
Balance at 31 March 2021	132,812	57,677	190,489

7 Intangible Asset

	Mar-22	**Mar-21**
	AED	AED
Goodwill		
On acquisition of business of Evolutionary System Arabia FZ LLC (refer note below)	**159,966,394**	159,966,394

The Company has entered into Business Transfer Agreement ("BTA") with Evolutionary Systems Arabia FZ LLC dated February 8, 2020 to purchase entire business under a slump sale arrangement.

The right of the company to assume rights and obligations from the Seller (the Evolutionary Systems Arabia FZ LLC) as per BTA is effective from February 1, 2020 but the company has exercised rights effective March 1, 2020. Accordingly, accounting treatment of the `BTA' was executed on March 1, 2020 (opening hours) between the Company and Evolutionary Systems Arabia FZ LLC. The transfer of Business to the company was subject to the satisfaction of conditions precedent as stipulated in the BTA.

Assets and liabilities of business (as listed below) covered by the BTA are transferred as on March 1, 2020 (opening hours). The total consideration agreed as per BTA of AED 237,811,888/- was paid through bank.

The statement showing computation of goodwill as on March 31, 2020 is as under:

		AED
Total consideration paid by the company		237,811,888
Less:Attributable to the acquisition of subsidiaries (as per BTA)		(39,894,000)
	A	**197,917,888**
Less:		
Recognised amounts of identifiable net assets		
Total non-current assets		169,156
Total current assets		53,488,792
Total non-current liabilities		(770,453)
Total current liabilities		(14,936,001)
Identifiable net assets	**B**	**37,951,494**
Goodwill on acquisition of business of Evolutionary System Arabia FZ LLC	**A-B**	**159,966,394**

For purpose of impairment testing, goodwill is tested for impairment at least annually or whenever there is an indication that goodwill may be impaired. Considering the recent acquisition of business effective March 1, 2020 and looking at future plan for business, the management is of opinion that the recoverable value (as assessed by the management) approximate to the carrying value of goodwill. Hence, no impairment in required in the carrying value of goodwill. Hence.there was no impairment in respect of goodwill as on March 31, 2022.

	2022	2021
	AED	AED
8 Investment in subsidiary companies		
Evolutionary Systems Bahrain WLL - (refer note "a" below)	**4,026,000**	4,026,000
Evolutionary Systems Saudi LLC - (refer note "b" below)	**22,326,000**	22,326,000
Evolutionary Kuwait Designing & Development LLC - (refer note "c" below)	**5,490,000**	5,490,000
Evolutionary Systems Consultancy LLC - (refer note "d" below)	**6,954,000**	6,954,000
Evolutionary Systems Egypt LLC - (refer note "e" below)	**1,098,000**	1,098,000
	39,894,000	39,894,000

a) Represents amount paid for purchase of 100% interest (50 shares of value BD 50,000/-) in a subsidiary company, .Evolutionary Systems Bahrain S.P.C., a limited liability company registered in Kingdom of Bahrain.

b) Represents amount paid for purchase of 50% interest (50 shares of value SAR 250,000/-) in a subsidiary company, Evolutionary Systems Saudi LLC, a limited liability company registered in Kingdom of Saudi Arabia.

c) Represents amount paid for purchase of 49% interest (49 shares of value of KD 9,800/-) in a subsidiary company, Evolutionary Kuwait Designing & Development LLC, a limited liability company registered in Kuwait.

d) Represents amount paid for purchase of 49% interest (49 shares of value of AED 73,500/-) in a subsidiary company, Evolutionary Systems Consultancy LLC, a limited liability company registered in Abu Dhabi, U.A,E.

e) Represents amount paid for purchase of 100% interest (100 shares of value EGP 5,000/-) in a subsidiary company, Evolutionary Systems Egypt LLC, a limited liability company registered in Egypt

9 Trade and other receivable	**2022**	2021
	AED	AED
Financial assets		
Trade receivables	**29,863,850**	24,884,432
Less:Provision for doubtful debts	**(1,022,196)**	(1,670,191)
Net account receivable	**28,841,654**	23,214,241
Contract asset	**4,053,503**	2,897,959
Deposits	**92,324**	66,304
Advances to staff and other receivables	**50,915**	80,444
	33,038,396	26,258,948
Non-financial assets		
Prepayments	**2,146,799**	510,607
	2,146,799	510,607
	35,185,194	26,769,555

	2022	2021
Movement of provision for doubful debts :	**AED**	AED
As at April 1,	**1,670,191**	1,956,148
Charge for the year	**-**	-
Reversal for the year	**647,995**	285,957
As at March 31,	**1,022,196**	1,670,191

10 Cash and cash equivalent

	2022	2021
	AED	AED
Cash on hand	14,061	204,615
Cash at bank:		
In current accounts	1,455,875	7,545,541
In margin accounts	6,309,591	2,993,606
In time deposit accounts	2,715,302	6,611,706
	10,494,829	17,355,468
Book overdraft	-	(248,140)
	10,494,829	17,107,328

11 Share capital

	2022	2021
	AED	AED
Authorised and issued 238,230 (2021:238230) shares of AED 1,000/ each	238,229,738	238,229,738
Total	238,229,738	238,229,738

Name of Shareholders	% Holding	2022 AED	2021 AED
Mastek UK Ltd	100%	238,229,738	238,229,738
	100%	238,229,738	238,229,738

12 Vehicle loan

	2022	2021
	AED	AED
Short term portion (payable within next 12 months)	26,686	24,988
Long term portion (payable after next 12 months)	6,812	33,497
Total amount outstanding	33,498	58,485

13 Employee's end of service benefits

	2022	2021
	AED	AED
As a April 1,	901,999	709,172
Charge for the year	294,647	497,329
Defined benefit plan actuarail gain	(364,791)	(294,062)
Payments during the year	88,487	10,440
As a March 31,	743,368	901,999

13 Employee's end of service benefits (continued)

	2022	2021
	AED	AED
Projected Benefit Obligation	**743,368**	901,999
Current Liability	**60,874**	77,729
Non-Current Liability	**682,494**	824,270

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

Valuation Assumptions:
i)Financial Assumptions:

	2022	2021
	AED	AED
Discount rate (p.a)	**3.85%**	**2.52%**
Salary escalation rate (p.a.)	**4.00%**	**4.00%**

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

b) Salary Escalation Rate:
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

ii)Demographic Assumptions:
a)Retirement Age: The employees of the Company are assumed to retire at the age of 60 years.

b) Mortality :

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

c) Leaving Service:
We have assumed 10% per annum withdrawal rate at all ages in this valuation.

13 Employee's end of service benefits (continued)

d) Disability:

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

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

14 Trade and other payables

	2022 AED	2021 AED
Financial liabilities		
Trade payables	**5,752,520**	1,706,908
Payable to staffs	**139,555**	192,787
Payable for professional fees	**-**	2,379,000
Other payables	**1,039,647**	1,649,219
Payable for leave salary	**58,731**	109,675
	6,990,454	6,037,589
Non-financial liabilities		
Contract liabilties:deferred revenue	**632,038**	613,114
Other payables	**(6,430)**	60,574
	625,608	**673,688**
	7,616,062	**6,711,277**

15 Revenue	**Year ended 31 March 2022 AED**	Year ended 31 March 2021 AED
Information technology services	**21,038,953**	20,455,245
	21,038,953	20,455,245
Disaggregation of revenue by geographical market:		
Kingdom of Saudi Arabia	**8,339,165**	11,269,025
United Arab Emirates	**6,422,478**	6,827,120
Bahrain	**3,383,343**	1,817,814
Oman	**1,678,889**	-
Morocco	**1,008,388**	-
Ugnada	**206,691**	494,547
Others	**-**	46,739
	21,038,953	**20,455,245**

16 Cost of sales	**Year ended 31 March 2022 AED**	Year ended 31 March 2021 AED
Salary to staff	**3,426,112**	9,498,817
Professional fees expense	**18,725,530**	8,148,472
Allowance expense	**142,319**	1,921,299
Rent expense	**135,717**	628,530
	22,429,677	20,197,118

17 Administrative,selling and general expenses	**Year ended 31 March 2022 AED**	Year ended 31 March 2021 AED
Travel expenses	**293,391**	485,074
Insurance expense	**443,476**	353,576
Office rent expense	**222,590**	237,980
Salary and benefits	**329,550**	205,081
Legal and professional expense	**484,519**	183,244
Postage and communication	**17,245**	81,287
Depreciation (Note 6)	**100,932**	69,548
Printing and stationery	**1,633**	10,345
Forex fluctuation	**49,757**	48,891
Bad debts written-off	**-**	152,993
(Reversal) for doubtful debts	**-**	(285,957)
Other administrative costs	**364,351**	345,116
	2,307,444	1,887,179

18 Other income

	Year ended 31 March 2022 AED	Year ended 31 March 2021 AED
Recovery of bad debts	**589,227**	45,482
Interest on fixed deposit	**6,926**	27,589
Client reimbursement	**-**	161,809
Other income	**-**	70,311
	596,153	305,190

19 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on vehicle loan	**3,137**	4,707
Interest expenses	**20,238**	446
Bank guarantee charges	**174,453**	303,196
	197,828	308,349

20 Related party transactions

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

The related parties and its relationships are as under-

a) Shareholder

Mastek (UK) Ltd., U.K

b) Companies under common management and control

Evolutionary Systems Private Limited, India
Evolutionary Systems Corporation, US.A.
Evolutionary Systems Singapore PTE Ltd
Evolutionary Systems Pty Ltd, Australia
Evolutionary Systems Limited, UK
Mastek Limited, India
Evolutionary Systems Qatar W.L.L., Qatar

c) Subsidiaries

Evolutionary Systems Saudi LLC, KSA
Evolutionary Systems Bahrain S.P.C., Bahrain
Evosys Kuwait Designing & Development LLC., Kuwait
Evolutionary Systems Egypt LLC., Egypt
Evolutionary Systems Consultancy LLC, Abu Dhabi, U.A.E

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

2022	**Shareholder**	**Companies under common management**	**Subsidiaries**	**2022**
	AED	AED	AED	AED
Cost of revenue	-	11,397,827	-	11,397,827
Revenue	-		10,339,055	10,339,055

	Shareholder	**Companies under common management**	**Subsidiaries**	**2022**
	AED	AED	AED	AED
Cost of revenue	-	6,050,223	-	6,050,223
Revenue	-		11,981,218	11,981,218

As of the reporting date, balance with related parties, were as follows:

	Shareholder	**Companies under common management**	**Subsidiaries**	**2022**
	AED	AED	AED	AED
Investment in subsidiaries			39,894,000	39,894,000
Trade receivables		554,055	24,006,308	24,560,363
Other receivables	-	-	-	-
Trade payables		5,361,808	26,073	5,387,881

20 Related party transactions (continued)

As of the reporting date, balance with related parties, were as follows:

	Shareholder	**Companies under common management**	**Subsidiaries**	
	AED	AED	AED	AED
Investment in subsidiaries			39,894,000	39,894,000
Trade receivables		1,084,433	18,107,418	19,191,851
Other receivables	-	-	-	-
Trade payables		1,388,832		1,388,832

Includes AED 14,510,247 /- (AED 554,055/-from companies under common control and AED 13,956,192/- from subsidiaries) are outstanding for more than 1 years which are considered good and recoverable by the management. As the management is hopeful of recovering the fill amount no provision fir doubtful debts is made against this old amounts.

Key management personnel compensation

Key management personnel of the Company are the Directors of the Company. During the year, the key management personnel compensation was paid by a related party and was paid by a related party and was not recharged to the Company.

21 Financial instruments risks

Risk management objectives and policies

The Company is exposed to various risks to financial instruments . The main types of risks are market risk, credit risk and liquidty risk. The Company's risk management is coordinated by the management, in close cooperation with the Director, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

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

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

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

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

Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to chnages in foreign exchange rates.Most of the Company's transactions are carried out in AED and US Dollars (USD).AED is effectively pegged to the USD thus any balances in USD do not represent significant currency risk.As at year end, the Company does not have any financial instruments denominated in currencies other than AED.

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

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

	2022	2021
	AED	AED
Trade and other receivable	**33,038,396**	26,258,948
Cash at bank	**10,480,769**	17,150,853
	43,519,165	43,409,802

Cash at bank:
The company's bank balances in current accounts, margin and time deposits accounts are placed with high credit quality financial institutions

Trade and other receivables:
The significant concentration of credit risk from accounts receivables (other than related parties) situated within U.A.E. amounted to AED 3,189,657/- due from customers.
There is no significant concentration of credit risk from accounts receivables (other than related parties) situated outside U.A.E. and outside the industry in which the company operates.

21 Financial instruments risks (continued)

Liquidity risk analysis

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

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

The following are the contractual maturities of the company's financial liabilities as of March 31, 2022.

2022	**Payable within next 12 months AED**	**Payable after 12 months AED**	**Total AED**
Trade and other payables (note 14)	6,990,454	-	6,990,454
Vehicle loan (note 12)	26,686	6,812	33,498
2021			
Trade and other payables (note 14)	6,037,589	-	6,037,589
Vehicle loan (note 12)	24,988	33,497	58,485

22 Fair value measurement

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

•level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
•level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
•level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

23 Capital management policies and procedures

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

24 Contingent liability

	2022	2021
	AED	AED
Letters of performance guarantee	**5,130,516**	5,388,683

25 Comparative figures

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

26 Significant events

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, effecetiveness of hedge relationship, goodwill, impairment of financial and non-financial assets and Cyber security pertaining to the remote access of information for the year ended 31 March 2021 and upto the date of approval of financial statements.

While assessing the impact,Company has considered all internal and external sources of information like industry reports, economic forecast,credit reports and company's business forecast basis the global economic consensus.Further, there have been no material changes in the financial control/process followed by the company.However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.