**EVOLUTIONARY SYSTEMS QATAR W.L.L.**
**DOHA - STATE OF QATAR**

# FINANCIAL STATEMENTS
**FOR THE YEAR ENDED MARCH 31, 2023**

**INDEPENDENT AUDITOR'S REPORT**
**To the Shareholders of Evolutionary Systems Qatar W.L.L**

PO.Box: 206070
Doha
State of Qatar
T +974 44319112
F +974 44319114
www.grantthornton.qa

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of **Evolutionary Systems Qatar W.L.L.** (the Company), which comprise the statement of financial position as at March 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

We have not received bank confirmation letter from a bank with which the Company held balance of QR. 605,188 as at March 31, 2023. Accordingly, we were unable to satisfy ourselves on the completeness of any special arrangements or restrictions arising from the relationship with the bank and on the completeness and accuracy of the balances and commitments held with the bank.

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

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

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- 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.

**Report on Other Legal and Regulatory Requirements**

Further as required by Qatar Commercial Companies Law Number 11 of 2015 (as amended by Law no. 8 of 2021), we report that:

- Except for the matters described in the Basis of Qualified section above, we have obtained all the information, we considered necessary for the purpose of our audit;
- The Company has zero value of inventories as at March 31, 2023;
- The Company has maintained proper books of accounts and financial statements are in agreement therewith;

- The financial information included in the Board of Director's report is in agreement with the books and records of the Company; and
- Nothing has come to our attention which causes us to believe that the Company has breached any of the provision of the Qatar Commercial Companies Law of 2015 (as amended by Law no. 8 of 2021), or of its Article of Association, which would materially affect the reported results of its operations or its financial position as at March 31, 2023.

**Dr. Sultan Hassan Al Dosari**

Dr. Sultan Al Dosari & Partners Chartered Accountants
Member Firm of Grant Thornton International
Doha, State of Qatar
License no: 109
QFMA Auditor License No. 1201910

31 JUL 2023

**EVOLUTIONARY SYSYTEMS QATAR W.L.L**
**Statement of Financial Position**
**As at March 31, 2023**
(All amounts expressed in Qatari Riyal unless otherwise stated)

| | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment | 4 | 9,471 | 10,418 |
| Deferred tax asset | 5 | 326,395 | 1,365 |
| **Total non-current assets** | | **335,866** | **11,783** |
| **Current assets** | | | |
| Trade and other receivables | 6 | 6,180,372 | 8,257,882 |
| Due from related parties | 12 | 689,922 | 102,000 |
| Cash and bank balances | 7 | 621,552 | 869,053 |
| **Total current assets** | | 7,491,846 | 9,228,935 |
| **Total assets** | | **7,827,712** | **9,240,718** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 8 | 200,000 | 200,000 |
| Statutory reserve | 9 | 100,000 | 100,000 |
| Other comprehensive income | | 108,118 | 84,338 |
| Retained earnings | | 2,783,814 | 4,038,722 |
| **Total equity** | | 3,191,932 | 4,423,060 |
| **Non - current liabilities** | | | |
| Employees' end of service benefits | 10(a) | 152,186 | 160,220 |
| Employees' compensated absence | 10(b) | 15,254 | 20,182 |
| **Total non current liabilities** | | 167,440 | 180,402 |
| **Current liabilities** | | | |
| Trade and other payables | 11 | 332,922 | 660,239 |
| Employees' end of service benefits | 10(a) | 17,956 | 15,779 |
| Employees' compensated absence | 10(b) | 2,234 | 2,602 |
| Borrowings from related party | 12 | 734,342 | - |
| Due to related parties | 12 | 3,323,374 | 3,749,782 |
| Income tax payable | | 57,512 | 208,854 |
| **Total current liabilities** | | 4,468,340 | 4,637,256 |
| **Total liabilities** | | 4,635,780 | 4,817,658 |
| **Total equity and liabilities** | | **7,827,712** | **9,240,718** |

**CONTINGENCIES AND COMMITMENTS** 18

Nahata

**Manish Nahata**
**General Manager**

C.R: 55671 Doha-Qatar Evolutionary Systems Qatar

Dr. Sultan Al Dosari & Partners Chartered Accountants
Member firm of Grant Thornton International Ltd
31 JUL 2023
For Identifications Purposes Only

The annexed notes form an integral part of these financial statements.

**EVOLUTIONARY SYSYTEMS QATAR W.L.L**
**Statement of Profit or Loss and Comprehensive Income**
**For the year ended March 31, 2023**
(All amounts expressed in Qatari Riyal unless otherwise stated)

| | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Revenue | 13 | 4,125,102 | 7,625,146 |
| Cost of revenue | 14 | (5,522,869) | (5,709,394) |
| **Gross profit** | | (1,397,767) | 1,915,752 |
| Other income | 15 | 732,592 | 80,906 |
| General and administration expenses | 16 | (907,428) | (549,972) |
| **Profit before tax** | | **(1,572,603)** | **1,446,686** |
| Income tax - Current | 17 | - | (142,683) |
| Income tax - Prior Period | | (9,687) | (61,738) |
| Deferred tax | 5 | 327,382 | - |
| **Total (loss)/income for the year** | | **(1,254,908)** | **1,242,264** |
| Other comprehensive income | | 26,132 | 99,151 |
| Deferred tax on other comprehensive income | | (2,352) | (8,923) |
| **Total comprehensive (loss)/income** | | **(1,231,128)** | **1,332,492** |

**Manish Nahata**
**General Manager**

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**EVOLUTIONARY SYSYTEMS QATAR W.L.L**
**Statement of Cash Flows**
**For the year ended March 31, 2023**
(All amounts expressed in Qatari Riyal unless otherwise stated)

| | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Cash flows from operating activites :** | | | |
| (Loss)/profit before tax | | (1,572,603) | 1,446,686 |
| **Adjustments:** | | | |
| Depreciation | **16** | 5,797 | 3,424 |
| Provison for expected credit loss | **16** | 199,770 | 57,619 |
| Provision/(reversal) for employees' end of service benefits | **10(a)** | 60,333 | 73,692 |
| Provision for compensated absences | **10(b)** | (5,296) | (4,962) |
| | | **(1,311,999)** | **1,576,459** |
| **Changes in working capital** | | | |
| (Increase) / decrease in trade and other receivable | | 1,289,818 | (1,674,876) |
| Increase / (decrease) in due to related party | | 307,934 | (535,423) |
| Increase / (decrease) in trade and other payable | | (184,633) | 389,184 |
| Income tax paid | | (152,370) | (125,607) |
| Employees' end of service benefits paid | | (40,059) | (38,908) |
| **Net cash flows from operating activities** | | **(91,309)** | **(409,171)** |
| **Cash flows from investing activities:** | | | |
| Additions to property and equipment | | (4,850) | (10,797) |
| **Net cash flows from investing activities** | | **(4,850)** | **(10,797)** |
| **Net decrease in cash and cash equivalents** | | **(96,159)** | **(419,968)** |
| Cash and cash equivalents at the beginning of the year | | 869,053 | 1,289,021 |
| **Cash and cash equivalents at the end of the year** | | **772,894** | **869,053** |

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**EVOLUTIONARY SYSYTEMS QATAR W.L.L**
**Statement of Changes in Equity**
**For the year ended March 31, 2023**
(All amounts expressed in Qatari Riyal unless otherwise stated)

| | Share capital | Legal reserve | Acturial gain/ (loss) on employers end of service benefit | Retained earnings | Total |
|---|---|---|---|---|---|
| **At March 31, 2021** | **200,000** | **100,000** | **(5,890)** | **2,796,458** | **3,090,568** |
| Transferred to gratuity OCI | | | 90,228 | | **90,228** |
| Profit for the year | - | - | | 1,242,264 | **1,242,264** |
| **At March 31, 2022** | **200,000** | **100,000** | **84,338** | **4,038,722** | **4,423,060** |
| Transferred to gratuity OCI | - | - | 23,780 | - | 23,780 |
| Loss for the year | - | - | - | (1,254,908) | (1,254,908) |
| **At March 31, 2023** | **200,000** | **100,000** | **108,118** | **2,783,814** | **3,191,932** |

Manish Nahata
**Manish Nahata**
**General Manager**

C.R. 55571 Doha-Qatar Evolutionary Systems Qatar

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Dr. Sultan Al Dosari & Partners Chartered Accountants
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31 JUL 2023
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## 1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Evolutionary Systems Qatar W.L.L. (the "Company") is registered as a limited liability company with the Ministry of Commerce and Industry under the Commercial Registration No. 55571 dated May 3, 2012. The Company's registered office is located at P.O. Box 7282, Doha, State of Qatar.

The Company's principal activities include information technology consulting.

## 2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of Qatar Commercial Companies' Law No. 11 of 2015 as amended by law of 2021.

The financial statements have been prepared under the historical cost convention.

**Functional and presentation currency**
The financial statements are presented in Qatari Riyals (QR), which is the Company's functional and presentational currency.

**Adoption of new accounting policies:**

**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 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 Company adopted this amendment effective 1 April 2022 and the adoption did not have any material impact on its financial statements.

**Recently issued accounting pronouncements**

**Disclosure of accounting policies (amendments to IAS 1 - Presentation of Financial Statements)**
In January 2020, the IASB issued final amendments in IAS 1, which clarifies that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability through any other asset or services. The amendments are effective for the fiscal year beginning April 01, 2024 including interim periods within those fiscal years and are to be applied retrospectively. The Company does not expect this amendment to have any significant impact in its financial statements.

**Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2 Presentation of Financial Statements)**
In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which intends to assist in deciding which accounting policies to disclose in the financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for the fiscal year beginning April 01, 2023 including interim periods within those fiscal years and are to be applied retrospectively. The Company does not expect this amendment to have any significant impact in its financial statements.

**Recently issued accounting pronouncements (continued)**

**Definition of accounting estimate (amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)**
In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments are effective for the fiscal year beginning April 01, 2023 including interim periods within those fiscal years and are to be applied retrospectively. The Company does not expect this amendment to have any significant impact in its financial statements.

**Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12 – Income Taxes)**
In May 2021, IASB issued 'targeted amendments to IAS 12', to specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The amendments are effective for the fiscal year beginning April 01, 2023 including interim periods within those fiscal years. The Company is evaluating the impact, if any, in its financial statements.

**Lease liability in a sale and leaseback (amendments to IFRS 16 - Leases)**
In September 2022, IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)', to clarify how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction that satisfy the requirements in IFRS 15 to be accounted for as a sale. The Company is currently in the process of evaluating the impact that adoption of this amendment will have on its financial statements. The amendment is effective for the fiscal year beginning April 01, 2024 including interim periods within those fiscal years.

**Disclosure of accounting policies (amendments to IAS 1 - Presentation of Financial Statements)**
In October 2022, IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)', to clarify how conditions (covenants) specified in a long-term borrowing arrangement affect the current / non-current classification and disclosures. The Company is currently in the process of evaluating the impact that adoption of this amendment will have on its financial statements. The amendment is effective for the fiscal year beginning April 01, 2024 including interim periods within those fiscal years.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Company applied in the preparation of the financial statements are set out below.

### Revenue

*Provision of services*
Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

The Company has adopted IFRS 15 effective 1 January 2019 and as a result, the Company has applied the following accounting policy in the preparation of its financial statements.

*Revenue from contracts with customers*

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognized in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

**Expense recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably. An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

**Income tax**

Income tax expense comprises current and deferred tax attributed to the non-GCC shareholder(s) of the Company. It is recognized in profit or loss.

*Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year attributed to the non-GCC shareholder(s) of the Company, and any adjustments to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

*Deferred tax*
Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax. Deferred income tax assets on unused tax losses carried forward are recognized when it is probable that there will be future taxable profits against which the losses can be offset.

**Property and equipment**
Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

| | |
|---|---|
| Office equipment | 15% |
| Furniture and fixtures | 15% |
| Motor vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately 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 or loss. When revalued assets are sold, it is company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**Impairment of non-financial assets**
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from

other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

**Financial assets**

***Initial recognition and measurement***

Trade receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset unless it is a trade receivable without a significant financing component or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets- policy applicable from 1 January 2019.

On initial recognition, a financial asset is classified at amortized cost- if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition, the Company may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified on initial recognition its trade and other receivables, contract assets, due from a related party and its cash at bank at amortized cost. The Company does not hold any other financial assets.

*Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

*Assessment whether contractual cash flows are Solely Payments of Principal and Interest*
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers: contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

***Subsequent measurement and gains and losses***

*Financial assets at amortized cost*
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in the statement of comprehensive income.

***Impairment***

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

Loss allowances for Trade and other receivables are always measured at an amount equal to lifetime ECLs. The Company considers a financial asset to be in default when:

- customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or the financial asset is more than 360 days past due

The Company considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's Rating Agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

*Measurement of ECLs*
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired induces the following observable data:

- significant financial difficulty of the customer or issuer:
- a breach of contract such as a default or being more than 360 days past due; or

  the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise
- it is probable that the customer will enter bankruptcy or other financial reorganization; and the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance for ECL in the statement of financial position*
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

***Write-off***

*Financial assets measured at amortized cost*
The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that had been incurred but not yet individually identified.

Assets that are not individually significant are collectively assessed for impairment. Collective assessment are carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and make an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the statement of comprehensive income and reflected in an allowance account.

When the Company considered that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease is related objectively to an event occurring after the impairment is recognized, then the previously recognized impairment loss is reversed through the statement of comprehensive income.

**Trade and other receivables**

Trade and other receivables are stated net of allowance for amounts estimated to be non-collectible. An estimate for doubtful accounts is made when the collection of the full amount is no longer probable. Bad debts are written-off when there is no possibility of recovery.

**Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalent include cash on hand and cash at bank.

***Financial liabilities***

*Initial recognition and measurement*

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVPL, financial liabilities at FVTOCI and amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include due to related parties and trade and other payables only.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

***Amortized cost***

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortization is included as finance costs in the statement of comprehensive income.

**Derecognition of financial assets and liabilities**

*Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired; and

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a `pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

*Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the separate statement of comprehensive income.

**Share capital**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

**Employees' end of service benefits**
The Company provides end of service benefits to its employees in accordance with employment contracts and the Qatar Labor Laws. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The resulting charge is included within the "Staff cost" in the statement of comprehensive income. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due. This has been presented as non-current liability in the statement of financial position.

**Trade and other payables**
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accruals are presented as current liabilities unless payment is not due within 12 months after the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**Provisions**
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

**Leases**
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset — this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either the Company has the right to operate the asset; or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Further, at inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their stand-alone price. However, for the lease of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

*The Company as a lessee*
The Company recognizes right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right to use the assets is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful life of right-of-use assets are determined on the same basis of as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain premeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Company presents the right-of-use assets that do not meet the definition of investment property in "Property and equipment" and lease liabilities in "lease liabilities" in the statement of financial position.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Offsetting financial instruments**
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liabilities simultaneously.

**Subsequent events**

Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material

**Current versus non-current classification**

The Company presents assets and liabilities based on current / non-current classification. An asset is current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle,

- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

The Company classifies all other liabilities as non-current

**EVOLUTIONARY SYSYTEMS QATAR W.L.L**
**Notes to the Financial Statements**
**As at March 31, 2023**
(All amounts expressed in Qatari Riyal unless otherwise stated)

## 4 Property and equipment

| | Office equipment | Furniture and fixtures | Motor vehicles | Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| **At March 31, 2021** | **24,989** | **1,700** | **97,000** | **123,689** |
| Additions during the year | 10,797 | - | - | 10,797 |
| **At March 31, 2022** | **35,786** | **1,700** | **97,000** | **134,486** |
| Additions during the year | 4,850 | - | - | 4,850 |
| **At March 31, 2023** | **40,636** | **1,700** | **97,000** | **139,336** |
| | | | | |
| **Depreciation:** | | | | |
| **At March 31, 2021** | **21,944** | **1,700** | **97,000** | **120,644** |
| Charged during the year | 3,424 | - | - | 3,424 |
| **At March 31, 2022** | **25,368** | **1,700** | **97,000** | **124,068** |
| Charged during the year | 5,797 | - | - | 5,797 |
| **At March 31, 2023** | **31,165** | **1,700** | **97,000** | **129,865** |
| | | | | |
| **Net book amount:** | | | | |
| **At March 31, 2023** | **9,471** | **-** | **-** | **9,471** |
| **At March 31, 2022** | **10,418** | **-** | **-** | **10,418** |

| | | | |
|---|---|---|---|
| **5 Deferred tax asset** | | **March 31, 2023** | **March 31, 2022** |
| **Deferred tax assets on account of :** | | | |
| Bad debt provisions | | 192,590 | 9,706 |
| Gratuity | | 26,005 | - |
| Leave encashment | | 1,574 | - |
| Loss | | 116,132 | - |
| Other comprehensive income | | (10,693) | (8,341) |
| Wealth bonus | | 787 | - |
| **Net deferred tax assets** | | **326,395** | **1,365** |
| <u>**Movement in Deferred tax**</u> | | | |
| **Opening as on April 1,** | | 1,365 | 10,288 |
| Charge in Profit and Loss | | 327,382 | - |
| Charge in OCI | | (2,352) | (8,923) |
| **Closing as on March 31** | | **326,395** | **1,365** |

**6 Trade and other receivables**

| | | | |
|---|---|---|---|
| Trade receivables | | 4,313,769 | 5,133,365 |
| Less:Provision for expected credit loss | 6.1 | (2,139,891) | (1,940,121) |
| Net trade receivables | | 2,173,878 | 3,193,244 |
| Contract assets | | 3,564,305 | 4,403,732 |
| Financial guarantee | | 425,335 | 635,855 |
| Refundable deposits | | 5,500 | 17,000 |
| Prepayments | | 11,354 | 8,051 |
| | | 6,180,372 | 8,257,882 |

**6.1** The table below shows the movement of the provision for expected credit loss of trade receivables:

| | | |
|---|---|---|
| Opening balance | 1,940,121 | 2,210,760 |
| Provision made during the year | 199,770 | 57,619 |
| Write-off of receivables | - | (328,258) |
| Closing balance | 2,139,891 | 1,940,121 |

As at March 31, the aging of trade receivables was as follows:

| | **Total** | **Neither past due or impaired** | **1-90 days** | **91-180 days** | **181-360 days** | **More than 360 days** |
|---|---|---|---|---|---|---|
| **2023** | **4,313,769** | **1,138,174** | **1,151,672** | **471,952** | **199,770** | **1,940,121** |
| **2022** | **5,133,365** | **1,395,617** | **1,797,627** | **-** | **228,844** | **1,711,277** |

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables.

**7 Cash and bank balances**

| | | |
|---|---|---|
| Cash in hand | 16,364 | 34,166 |
| Bank balances* | 605,188 | 834,887 |
| | 621,552 | 869,053 |

*Balnce with bank is held in current account.

**8 Share capital**

| | **As at March 31, 2023** | | **As at March 31, 2022** | |
|---|---|---|---|---|
| | **No. of shares** | **Amount** | **No. of shares** | **Amount** |
| Authorised and issued | | | | |
| Ordinary shares of QR 1,000 each | 200 | 200,000 | 200 | 200,000 |
| **Total** | **200** | **200,000** | **200** | **200,000** |

The shares are distributed as follows:

| **Name** | **Nationality/Country of incorporation** | **No. of Shares** | **Amount** |
|---|---|---|---|
| Mohamed Ahmed Abdullah Ali | Qatari | 102 | 102,000 |
| Mastek Enterprise Solutions Private Limited | India | 98 | 98,000 |
| | | **200** | **200000** |

## 9 STATUTORY RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 as amended by law of 2021 and the Company's Articles of Association, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the company's articles of association. No transfer was made in the legal reserve during the year as the Company has reached the prescribed amount.

## 10 Employee benefits liabilities

### 10(a) Employees' end of service benefits

| | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| **Opening balance** | | 175,999 | 240,366 |
| Provision/(reversal) during the year | **15** | 34,202 | (25,459) |
| Employees' end of service benefits paid | | (40,059) | (38,908) |
| **Closing balance** | | 170,142 | 175,999 |
| Transferred to current portion | | **17,956** | 15,779 |
| Non current portion | | **152,186** | 160,220 |

| | | |
|---|---|---|
| The employees' benefit obligation as at the balance sheet date for the reporting year are as follows: | | |
| Present value of defined benefit obligation | **170,142** | 175,999 |
| Fair value of plan assets | - | - |
| Unfunded provision/liability recognized and to be recognized in balance sheet | - | - |
| | **170,142** | 175,999 |
| **Movement in the present value of defined benefit obligation** | | |
| Present value of defined benefit obligation at | 175,999 | 240,366 |
| Interest cost | 6,472 | 5,823 |
| Current service cost | 53,861 | 67,869 |
| Benefit paid | (40,059) | (38,908) |
| Actuarial gain | (26,131) | (99,151) |
| **Present value of defined benefit obligation at the end of the year** | **170,142** | 175,999 |
| **Amount recognized in profit and loss account:** | | |
| Current service cost | 53,861 | 67,869 |
| Interest cost | 6,472 | 5,823 |
| **Total defined benefit cost included in the statement of profit or loss** | **60,333** | 73,692 |
| **Amount recognized in other comprehensive income:** | | |
| Effect of experience adjustments | (2,353) | (76,133) |
| Effect of changes in financial assumption | (23,778) | (23,018) |
| Effect of change in demographic assumptions | | **-** |
| **Total remeasurements recognized in other comprehensive income** | **(26,131)** | (99,151) |
| Principal actuarial assumptions used were as follows: | | |
| Discount rate per annum | 5.35% | 3.85% |
| Expected rate of increase in eligible salary per annum | 4.00% | 4.00% |
| Retirement age in years | 60 | 60 |
| Mortality table | Saudi Arabia mortality rate | Saudi Arabia mortality rate |
| Employee turn over rate | | |
| All ages | 10% | 10% |

### 10(b) Employees' compensated absence

| | | |
|---|---|---|
| **Opening balance** | **22,784** | **27,746** |
| (Reversal) during the year | (5,296) | (4,962) |
| **Closing balance** | **17,488** | **22,784** |
| **Transferred to current portion** | **2,234** | **2,602** |
| **Non current portion** | **15,254** | **20,182** |
| **Principal actuarial assumptions used were as follows:** | | |
| Discount rate per annum | 5.35% | 3.85% |
| Expected rate of increase in eligible salary per annum | 4.00% | 4.00% |
| Retirement age in years | 60 | 60 |
| Mortality table | Saudi Arabia mortality rate | Saudi Arabia mortality rate |
| Employee turn over rate | | |
| All ages | 10% | 10% |

## 11 Trade and other payables

| | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Advances from customers | | 58,219 | 213,392 |
| Trade payables | | 106 | 3,703 |
| Accruals | | 274,597 | 443,144 |
| | | 332,922 | 660,239 |

## 12 Related parties

Related parties represent major partners and key management personnel of the company and companies in which they are major owners. Pricing policies and terms of these transactions on mutually agreed terms.

**(i) Transactions with related parties during the year**

| | County | Nature of transaction | For the year end March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| Mastek Enterprise Solutions Private Limited | India | Services received | 2,447,070 | 2,439,392 |
| Mastek Arabia FZ-LLC | Dubai | Services received | 300,621 | - |
| Evolutionary Systems Consultancy LLC | Abu Dhabi | Services received | 332,723 | - |
| Evolutionary Systems Private Limited (UK) | United Kingdom | Interest expense | 6,534 | - |
| Trans American Information Systems INC | United States | Services provided | 587,922 | - |
| Mastek Limited | India | Other Expenses | 14,129 | - |
| Mohit Monga | Qatar | Managerial remuneration | 630,093 | 497,173 |
| | | | **4,319,092** | **2,936,565** |

**( ii) Due from a related parties**

| | Nature of relationship | | |
|---|---|---|---|
| Mohammed Ahmed A A Alsheeb | Partner | 102,000 | 102,000 |
| Trans American Information Systems INC | Affiliate | 587,922 | - |
| | | 689,922 | 102,000 |

**( iii) Due to related parties**

| | | | | |
|---|---|---|---|---|
| Evolutionary Systems UK | United Kingdom | Affiliate | 2,065,503 | 2,200,886 |
| Mastek Enterprise Solutions Private Limited | India | Affiliate | 386,914 | 994,009 |
| Mastek Arabia FZ L. L. C. | Dubai | Affiliate | 802,850 | 554,887 |
| Mastek Limited | India | Affiliate | 14,129 | - |
| Evolutionary Systems Consultancy LLC | Abu Dhabi | Affiliate | 53,978 | - |
| | | | 3,323,374 | 3,749,782 |

**( iv) Borrowings from related party**

| | | | |
|---|---|---|---|
| Evolutionary Systems Private Limited (UK) | Affiliate | 734,342 | - |

The above loan from related party is taken at an interest rate of 1.6% above GBP SONIA rate (2.1412%) payable in 12 months or as agreed mutually between the parties.

| | | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| **13** | **Revenue** | | |
| | Information technology services | 4,125,102 | 7,625,146 |
| | | **4,125,102** | **7,625,146** |

A disaggregation of the Company's revenue is as follows:

**Type of revenue from services**

| | | |
|---|---|---|
| Implementation | 334,210 | 3,643,172 |
| Support | 3,790,892 | 3,981,974 |
| | **4,125,102** | **7,625,146** |

**Timing of revenue recognition**

| | | |
|---|---|---|
| Point in time | 334,210 | - |
| Over time | 3,790,892 | 7,625,146 |
| | **4,125,102** | **7,625,146** |

**Contract balances information**

| | | |
|---|---|---|
| Trade receivables | 2,173,878 | 3,193,244 |
| Contract assets | 3,564,305 | 4,403,732 |
| Contract liabilities | (58,219) | (213,392) |

The below table discloses the movement in balances of contract liabilities

| | Year eneded | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Balance as at beginning of the year | 213,392 | 88,947 |
| Additional amounts billed but not recognised as revenue | 58,216 | 212,280 |
| Deduction on account of revenues recognised during the year | (213,392) | (87,836) |
| **Balance as at the end of the year** | **58,216** | **213,392** |

| | | Note | | |
|---|---|---|---|---|
| **14** | **Cost of revenue** | | | |
| | Subcontracting cost | | 3,782,294 | 2,849,165 |
| | Staff cost | **16.2** | 1,740,575 | 2,860,229 |
| | | | **5,522,869** | **5,709,394** |
| **15** | **Other income** | | | |
| | Cross charge income | | 587,922 | |
| | Foreign exchange gain | | 131,645 | 80,907 |
| | Others | | 13,025 | - |
| | | | **732,592** | **80,907** |
| **16** | **General and administrative expenses** | | | |
| | Rent | | 108,764 | 168,000 |
| | Provision for expected credit loss | **6** | 199,770 | 57,619 |
| | Legal and professional fees | | 118,755 | 24,604 |
| | Travelling and conveyance | | 39,989 | 15,910 |
| | Government fees | | 52,859 | 56,698 |
| | Insurance | | 21,927 | 40,439 |
| | Lodging expenses | | 32,115 | 42,732 |
| | Sponsorship fees | | 69,999 | 79,999 |
| | Repairs and maintenance | | 6,528 | 7,976 |
| | Communication | | 5,168 | 5,069 |
| | Depreciation | **4** | 5,797 | 3,424 |
| | Financial charge | | 24,443 | 9,611 |
| | Staff cost | **16.2** | 193,301 | 3,252 |
| | Others | | 28,013 | 34,639 |
| | | | **907,428** | **549,972** |

| | | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|---|
| **16.1** | **Staff Cost** | | | |
| | Salaries and wages | | 1,735,721 | 2,586,499 |
| | Employees' end of service benefits | **10** | 60,332 | 73,692 |
| | Other benefits | | 137,823 | 203,290 |
| | | | **1,933,876** | **2,863,481** |

**16.2** The staff costs have been allocated in the statement of comprehensive income as follows:

| | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Cost of revenue | **14** | 1,740,575 | 2,860,229 |
| General and administrative expenses | **16** | 193,301 | 3,252 |
| | | **1,933,876** | **2,863,481** |

## 17 Income tax

| | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| (Loss)/profit before tax | | (1,572,603) | 1,446,686 |
| Add:Non-deductible expenses | | | |
| Depreciation | | - | - |
| Prior period impact | | - | |
| Non-deductible provision | | - | (313,302) |
| Non-deductible salaries and wages | | 69,999 | 79,999 |
| Amount paid in breach of the state laws | | - | - |
| Other disallowable expenses | | - | 1,185 |
| (Taxable loss)/Taxable income | | **(1,502,604)** | **1,214,568** |
| Tax= Taxable income*10% | | **-** | 121,457 |
| Share of profit of Non-Qatari or Non-Resident Qatari | | 90% | 90% |
| Tax liability | | **-** | **109,311** |
| Late filing penalty | | | 29,000 |
| Late payment penalty | | 9,687 | 4,372 |
| **Tax payable to the tax department** | | **9,687** | **142,683** |

**Tax reconciliation**

| | Note | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| Current tax | | **-** | 142,683 |
| Prior period tax | | **9,687** | 61,738 |
| Deferred tax | 5 | **(327,382)** | - |
| | | **(317,695)** | **204,421** |

## 18 Contingencies and commitments

The Company had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Performance guarantees | 425,335 | 635,855 |
| | **425,335** | **635,855** |

## 19 Financial risk management

The risk management function within the Company is carried out in respect of financial risks.

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

### 19.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial assets. The objective of market risks management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company has a set of acceptable parameters, based on value at risk, that may be accepted and which is monitored on a regular basis.

(i) Currency risk

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

The Company has limited exposure to foreign exchange risks arising from balances dominated in US Dollars as the Qatari Riyal is pegged to the US Dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the Company's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

### 19.2 Credit risk

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 exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of accounts receivable, other receivables, due from a related party and bank balances.

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Company's management.

Below table summarises the exposure of the Company equal to the carrying amount of these instruments are as follows:

| | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Trade and other receivables (excluding non-financial assets) | 6,169,018 | 8,249,830 |
| Cash at bank | 605,188 | 834,887 |
| Due from related parties | 689,922 | 102,000 |
| | **7,464,128** | **9,186,717** |

### 19.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table summarises the maturity profile of the Company's undiscounted financial liabilities at 31 March based on contractual payment dates.

| | **March 31, 2023** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-5 years** | **Total** |
| Trade and other payable | 330,010 | 2,912 | - | 332,922 |
| Due to related parties | 702,985 | 26,113 | 2,594,276 | 3,323,374 |
| Borrowings from related party | 734,342 | - | - | - |
| | **1,767,337** | **29,025** | **2,594,276** | **3,656,296** |

| | **March 31, 2022** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-5 years** | **Total** |
| Trade and other payable | 658,753 | 1,486 | - | 660,239 |
| Due to related parties | 1,020,122 | - | 2,729,661 | 3,749,782 |
| | **1,678,875** | **1,486** | **2,729,661** | **4,410,020** |

**Capital management**

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital, which the Company defines as total equity and is measured at QR 3,083,814 on 31 March 2023 (2022: QR 4,428,034 ).

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to owner, or increase capital. No changes were made in the objectives, policies or process during the years 2023 and 2022.

**19.4 Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. Differences can therefore arise between the book values under historical cost method and fair value estimates. The management believes that the fair value of the financial assets and liabilities of the Company are not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

There are no assets and liabilites carried at fair value.

## 20 GENERAL

**20.1 Rounding off**

Figures have been rounded off to the nearest QR.1

**20.2 Date of authorization**

These financial statements were authorized for issue on July 31, 2023 by the Board of Directors of the Company, signed on their behalf by the partner of the Company.