

**EVOLUTIONARY SYSTEMS SAUDI COMPANY
(A FOREIGN LIMITED LIABILITY COMPANY)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

| | Notes | 31 March 2023 | 31 March 2022 |
|---------------------------------------|-------|--------------------|--------------------|
| | | SAR | SAR |
| Assets | | | |
| Non- current Assets | | | |
| Property and equipment,net | 6 | 3,99,288 | 2,41,200 |
| Deferred tax asset | | <u>13,53,062</u> | <u>11,96,774</u> |
| Total non- current assets | | <u>17,52,350</u> | <u>14,37,974</u> |
| Current assets | | | |
| Accounts receivables, net | 7 | 2,96,08,827 | 1,79,91,082 |
| Contract assets | | 2,56,15,050 | 1,19,60,153 |
| Prepayments and other receivables | 8 | 36,75,691 | 54,37,932 |
| Cash and bank balances | 9 | <u>10,39,814</u> | <u>13,86,245</u> |
| Total current assets | | <u>5,99,39,382</u> | <u>3,67,75,412</u> |
| Total assets | | <u>6,16,91,732</u> | <u>3,82,13,386</u> |
| Owners' Equity and Liabilities | | | |
| Owners' equity | | | |
| Share capital | 10 | 5,00,000 | 5,00,000 |
| Statutory reserve | 11 | 2,30,156 | 2,30,156 |
| Retained earnings | | <u>1,90,77,968</u> | <u>1,04,52,700</u> |
| Total owners' equity | | <u>1,98,08,124</u> | <u>1,11,82,856</u> |
| Non-current liability | | | |
| Employees' benefit obligation | | 17,53,570 | 15,95,722 |
| Loan from a related party | | <u>1,14,93,459</u> | - |
| Total non-current liabilities | | <u>1,32,47,029</u> | <u>15,95,722</u> |
| Current liabilities | | | |
| Accounts payable | | 13,74,910 | 24,25,544 |
| Due to Related Party | | 2,10,54,396 | 2,00,80,227 |
| Accruals and other payables | 12 | 48,54,146 | 29,29,036 |
| Provision for income tax | | <u>13,53,127</u> | - |
| Total current liabilities | | <u>2,86,36,579</u> | <u>2,54,34,808</u> |
| Total liabilities | | <u>4,18,83,608</u> | <u>2,70,30,530</u> |
| Total equity and liabilities | | <u>6,16,91,732</u> | <u>3,82,13,386</u> |

The annexed notes an integral part of these financial statements

**EVOLUTIONARY SYSTEMS SAUDI COMPANY
(A FOREIGN LIMITED LIABILITY COMPANY)**

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

| | <u>Notes</u> | <u>31 March 2023</u> | <u>31 March 2022</u> |
|---|--------------|----------------------|----------------------|
| | | SAR | SAR |
| INCOME | | | |
| Revenue | | 7,01,44,838 | 5,24,33,930 |
| Cost of revenue | 14 | <u>(5,45,67,573)</u> | <u>(4,83,00,950)</u> |
| Gross income | | 1,55,77,265 | 41,32,980 |
| Other income | 15 | 1,919 | - |
| Total operating income | | <u>1,55,79,184</u> | <u>41,32,980</u> |
| Operating expenses: | | | |
| Selling and distribution expenses | 16 | (61,760) | (1,06,866) |
| General and administration expenses | 17 | <u>(52,01,779)</u> | <u>(58,99,022)</u> |
| Total operating expenses | | <u>(52,63,539)</u> | <u>(60,05,889)</u> |
| Net profit for the year before income tax | | 1,03,15,645 | (18,72,909) |
| Deferred tax | | (2,04,804) | |
| Income tax expense | | <u>20,87,332</u> | <u>(16,09,121)</u> |
| Net profit for the year | | <u>84,33,117</u> | <u>(34,82,030)</u> |
| Other comprehensive income: | | | |
| Items that will not be reclassified to the statement of profit or loss: | | | |
| Actuarial (loss) / gains from re-measurement of employees' benefit obligation | | 1,92,151 | (2,81,772) |
| Total comprehensive income for the year | | <u>86,25,268</u> | <u>-37,63,802</u> |

The annexed notes an integral part of these financial statements

**EVOLUTIONARY SYSTEMS SAUDI COMPANY
(A FOREIGN LIMITED LIABILITY COMPANY)**

**STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

| | Share capital | Statutory reserve | Retained earnings | Total |
|---|------------------|----------------------|----------------------|--------------------|
| | SAR | SAR | SAR | SAR |
| Balance as at 1 April 2021 | 5,00,000 | 2,30,156 | 95,13,379 | 8,66,975 |
| Net profit for the year | - | - | 9,11,225 | 9,11,225 |
| Other comprehensive loss for the year | - | - | 28,096 | 28,096 |
| Total comprehensive income for the year | - | - | 9,39,321 | 9,39,321 |
| Balance as at 31 March 2022 | 5,00,000 | 2,30,156 | 1,04,52,700 | 18,06,296 |
| Balance as at 1 April 2022 | 5,00,000 | 2,30,156 | 1,04,52,700 | 1,11,82,856 |
| Net profit for the year | - | - | 84,33,117 | 84,33,117 |
| Other comprehensive income for the year | - | - | 1,92,151 | 1,92,151 |
| Total comprehensive income for the year | - | - | 86,25,268 | 86,25,268 |
| Balance as at 31 March 2023 | 5,00,000 | 2,30,156 | 1,90,77,968 | 1,98,08,124 |

The annexed notes an integral part of these financial statements

Evolutionary Systems Saudi Company

(A Foreign Limited Liability Company)

Notes to the financial statements for the year ended 31 March 2023

6. PROPERTY, PLANT AND EQUIPMENT - NET

| 31 March 2023 | Furniture and fixtures | Tools and equipment | Computer and software | Total |
|--|------------------------|---------------------|-----------------------|-----------------|
| | SAR | SAR | SAR | SAR |
| Cost | | | | |
| Balance at 1 April 2022 | 78,913 | 24,328 | 3,77,648 | 4,80,889 |
| Additions | 3,370 | 5,196 | 2,46,590 | 2,55,156 |
| Deletion | - | 20,560 | - | 20,560 |
| Balance at 31 March 2023 | 82,283 | 8,964 | 6,24,238 | 7,15,485 |
| Accumulated Depreciation | | | | |
| Balance at 1 April 2021 | 45,670 | 13,708 | 1,80,311 | 2,39,689 |
| Charged during the year | 8,601 | 593 | 80,793 | 89,987 |
| Reversal on deletion | - | 13,479 | - | 13,479 |
| Balance at 31 March 2023 | 54,271 | 822 | 2,61,104 | 3,16,197 |
| Net book value at 31 March 2023 | 28,012 | 8,142 | 3,63,134 | 3,99,288 |

| 31 March 2022 | Furniture and fixtures | Tools and equipment | Computer and software | Total |
|--|------------------------|---------------------|-----------------------|-----------------|
| | SAR | SAR | SAR | SAR |
| Cost | | | | |
| Balance at 1 April 2021 | 1,06,483 | 95,178 | 2,04,065 | 4,05,726 |
| Additions | - | - | 1,84,803 | 1,84,803 |
| Deletion | 27,570 | 70,850 | 11,220 | 1,09,640 |
| Balance at 31 March 2022 | 78,913 | 24,328 | 3,77,648 | 4,80,889 |
| Accumulated Depreciation | | | | |
| Balance at 1 April 2021 | 51,121 | 52,757 | 1,42,076 | 2,45,954 |
| Charged during the year | 7,891 | 2,433 | 39,589 | 49,913 |
| Reversal on deletion | 13,342 | 41,482 | 1,354 | 56,178 |
| Balance at 31 March 2022 | 45,670 | 13,708 | 1,80,311 | 2,39,689 |
| Net book value at 31 March 2022 | 33,243 | 10,620 | 1,97,337 | 2,41,200 |

Evolutionary Systems Saudi Company

(A Foreign Limited Liability Company)

Notes to the financial statements for the year ended 31 March 2023**7 ACCOUNTS RECEIVABLES**

| | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|------------------------|------------------------|
| | SAR | SAR |
| Trade receivables | 3,43,31,185 | 2,29,90,038 |
| Provision of doubtful debts | (47,22,358) | (49,98,956) |
| | 2,96,08,827 | 1,79,91,082 |

8 PREPAYMENTS AND OTHER RECEIVABLES

| | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| | SAR | SAR |
| Margin deposits | 31,71,821 | 37,64,453 |
| Prepaid expenses and loan to employee | 4,81,645 | 4,57,111 |
| Due from previous owner (See note 14-c) | - | 4,46,663 |
| Taxes paid in advance | - | 7,34,205 |
| Other | 22,225 | 35,500 |
| | 36,75,691 | 54,37,932 |

9 CASH AND BANK BALANCES

| | As at 31 March 2023 | As at 31 March 2022 |
|---------------|------------------------|------------------------|
| | SAR | SAR |
| Cash in hand | 45,657 | 31,474 |
| Cash at banks | 9,94,157 | 13,54,771 |
| | 10,39,814 | 13,86,245 |

10 SHARE CAPITAL

| | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| | SAR | SAR |
| Authorised, issued and paid up capital | | |
| 100 shares of SR 5000/- each | 5,00,000 | 5,00,000 |
| | 5,00,000 | 5,00,000 |

| a) Name of the Shareholder's | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|--------------|---------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Mastek Enterprise Solutions Private Limited | 50 | 50% | 50 | 50% |
| Evolutionary Systems Arabia FZ LLC. | 50 | 50% | 50 | 50% |
| | 100 | 100% | 100 | 100% |

11 STATUTORY RESERVE

In accordance with Article 176 of companies law and the company's articles of association, at the end of each financial year 10% at least is transferred from net profit to statutory reserve. The partners are allowed to stop transferring amounts to the statutory reserve until it reaches 30% of the share capital. This reserve is not available for dividend distribution.

The partner decided to stop transferring to statutory reserve.

Evolutionary Systems Saudi Company

(A Foreign Limited Liability Company)

Notes to the financial statements for the year ended 31 March 2023**12 ACCRUALS AND OTHER PAYABLES**

| | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------|------------------------|------------------------|
| | SAR | SAR |
| Accrued salaries | 9,35,091 | 12,09,800 |
| Withholding tax | 1,02,708 | 5,68,894 |
| Accrued expenses | 27,59,656 | 6,99,439 |
| VAT Payable | 9,94,121 | 4,18,297 |
| Accrued social security | 62,570 | 32,606 |
| | 48,54,146 | 29,29,036 |

14 COST OF REVENUES

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|------------------------------------|-------------------------------------|-------------------------------------|
| | SAR | SAR |
| Purchases | 26,23,386 | 43,62,995 |
| Professional fees | 3,87,59,550 | 3,36,47,558 |
| Salaries, wages and other benefits | 1,31,84,637 | 1,02,90,397 |
| | 5,45,67,573 | 4,83,00,950 |

15 OTHER INCOME

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------|-------------------------------------|-------------------------------------|
| | SAR | SAR |
| Others | 1,919 | - |
| | 1,919.00 | - |

16 SELLING AND DISTRIBUTION EXPENSES

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------------|-------------------------------------|-------------------------------------|
| | SAR | SAR |
| Tender expenses | 56,785 | 1,04,640 |
| Promotion expenses | 4,975 | 2,226 |
| | 61,760 | 1,06,866 |

17 GENERAL AND ADMINISTRATION EXPENSES

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| | SAR | SAR |
| Employee other benefits | 13,74,934 | 7,00,102 |
| Bad debt written off | 4,11,664 | 23,82,750 |
| Rent | 3,46,846 | 3,65,083 |
| Bad debt expense | - | 1,88,472 |
| Travel and communication expenses | 20,86,477 | 15,78,474 |
| Maintenance | 1,60,018 | 1,29,229 |
| Legal and Professional Fees | 3,38,012 | 1,96,684 |
| Bank charges | 46,699 | 48,554 |
| Foreign exchange loss | 28,417 | 1,10,086 |
| Loss on sale of property and equipments | - | 11,790 |
| Depreciation of ROU | - | - |
| Depreciation | 89,987 | 49,913 |
| Miscellaneous | 3,18,725 | 1,37,886 |
| | 52,01,779 | 58,99,022 |