

# **EVOLUTIONARY SYSTEMS CONSULTANCY LLC**

Financial Statements

For The Year Ended March 31, 2023

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

For The Year Ended March 31, 2023

### Table of contents

---

|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Director's report                 | 1           |
| Independent Auditor's Report      | 2 - 4       |
| Statement of financial position   | 5           |
| Statement of comprehensive income | 6           |
| Statement of changes in equity    | 7           |
| Statements of cash flows          | 8           |
| Notes to the financial statements | 9 - 25      |

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### STATEMENT OF FINANCIAL POSITION

As At March 31, 2023

|  | Notes | 2023<br>AED             | 2022<br>AED               |
|--|-------|-------------------------|---------------------------|
| <b>ASSETS</b>                          |       |                         |                           |
| <b>Non-current</b>                     |       |                         |                           |
| Property and equipment                 | 6     | 19,426                  | 22,423                    |
|  |       | <u>19,426</u>           | <u>22,423</u>             |
| <b>Current</b>                         |       |                         |                           |
| Trade and other receivables            | 7     | 54,69,416               | 78,64,626                 |
| Due from related parties               | 14    | 16,22,276               | 56,88,771                 |
| Cash and cash equivalents              | 8     | 9,86,672                | 7,53,135                  |
|  |       | <u>80,78,364</u>        | <u>1,43,06,532</u>        |
| <b>TOTAL ASSETS</b>                    |       | <u><u>80,97,790</u></u> | <u><u>1,43,28,955</u></u> |
| <b>EQUITY AND LIABILITIES</b>          |       |                         |                           |
| <b>EQUITY</b>                          |       |                         |                           |
| Share capital                          | 9     | 1,50,000                | 1,50,000                  |
| (Accumulated losses)/retained earnings |       | (1,36,81,532)           | (50,87,041)               |
| Statutory reserve                      | 9.1   | 75,000                  | 75,000                    |
| Other comprehensive loss               |       | 9,419                   | (4,89,363)                |
| <b>TOTAL EQUITY</b>                    |       | <u>(1,34,47,113)</u>    | <u>(53,51,404)</u>        |
| <b>LIABILITIES</b>                     |       |                         |                           |
| <b>Non-current</b>                     |       |                         |                           |
| Employees' end of service benefits     | 18    | 13,96,408               | 15,24,716                 |
|  |       | <u>13,96,408</u>        | <u>15,24,716</u>          |
| <b>Current</b>                         |       |                         |                           |
| Trade and other payables               | 10    | 66,40,412               | 30,39,913                 |
| Due to related parties                 | 14    | 1,35,08,084             | 1,51,15,731               |
|  |       | <u>2,01,48,496</u>      | <u>1,81,55,644</u>        |
| <b>TOTAL LIABILITIES</b>               |       | <u>2,15,44,904</u>      | <u>1,96,80,360</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>    |       | <u><u>80,97,790</u></u> | <u><u>1,43,28,955</u></u> |

These financial statements for the year ended March 31, 2023 (including comparatives) were approved on ----- by:

\_\_\_\_\_  
**Mr. Manish Nahata**  
**Authorised Signatory**  
Dubai, United Arab Emirates

The accompanying notes from 1 to 20 form an integral part of these financial statements

**EVOLUTIONARY SYSTEMS CONSULTANCY LLC**  
**Financial Statements**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For The Year Ended March 31, 2023**

|  | Notes | Year ended<br>March 31, 2023<br>AED | Year ended<br>March 31, 2022<br>AED |
|--|-------|-------------------------------------|-------------------------------------|
| <b>Income</b>  |       |                                     |                                     |
| Revenue  | 11    | 2,20,04,243                         | 2,65,06,242                         |
| Cost of sales  | 12    | (2,67,92,727)                       | (2,76,08,296)                       |
| <b>Gross (loss)/profit</b>                                   |       | <u>(47,88,484)</u>                  | <u>(11,02,054)</u>                  |
| Administrative, selling and general expenses                 | 13    | (40,82,335)                         | (58,36,665)                         |
| Other income   |       | 2,76,329                            | 800                                 |
| <b>Net (loss)/ profit for the year</b>                       |       | <u>(85,94,491)</u>                  | <u>(69,37,919)</u>                  |
| <b>Other comprehensive income (OCI)</b>                      |       |                                     |                                     |
| Defined benefit plan actuarial income/ (loss)                | 18    | 4,98,782                            | 3,77,544                            |
| <b>Total other comprehensive income/ (loss) for the year</b> |       | <u>4,98,782</u>                     | <u>3,77,544</u>                     |
| <b>Total comprehensive (loss)/ income for the year</b>       |       | <u>(80,95,709)</u>                  | <u>(65,60,375)</u>                  |

The accompanying notes from 1 to 20 form an integral part of these financial statements

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### STATEMENT OF CHANGES IN EQUITY

For The Year Ended March 31, 2023

|   | Share capital   | Retained earnings/<br>(Accumulated losses) | Statutory<br>reserve | Other comprehensive<br>income | Total equity         |
|---|-----------------|--|----------------------|-------------------------------|----------------------|
|   | AED             | AED  | AED                  | AED                           | AED                  |
| Balance as at April 1, 2021             | 1,50,000        | 18,50,877                                  | 75,000               | (8,66,907)                    | 12,08,970            |
| Total comprehensive loss for the year   | -               | (69,37,919)                                | -                    | 3,77,544                      | (65,60,375)          |
| Balance as at March 31, 2022            | <b>1,50,000</b> | <b>(50,87,041)</b>                         | <b>75,000</b>        | <b>(4,89,363)</b>             | <b>(53,51,404)</b>   |
| Total comprehensive income for the year |                 | (85,94,491)                                |                      | 4,98,782                      | (80,95,709)          |
| <b>Balance as at March 31, 2023</b>     | <b>1,50,000</b> | <b>(1,36,81,532)</b>                       | <b>75,000</b>        | <b>9,419</b>                  | <b>(1,34,47,113)</b> |

The accompanying notes from 1 to 20 form an integral part of these financial statements

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### STATEMENT OF CASH FLOW

For The Year Ended March 31, 2023

|  | Notes | Year ended<br>March 31, 2023<br>AED | Year ended<br>March 31, 2022<br>AED |
|--|-------|-------------------------------------|-------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                |       |                                     |                                     |
| Net (loss)/ profit for the year                            |       | (85,94,491)                         | (69,37,919)                         |
| <i>Adjustment for:</i>                                     |       |                                     |                                     |
| Depreciation for property and equipment                    | 6     | 8,791                               | 7,458                               |
| Provision made/(written-back) against receivables          | 13    | (40,571)                            | 9,21,123                            |
| Provision of employees' end of service benefits            | 18    | 5,13,933                            | 4,77,604                            |
| <b>Operating cash flows before working capital changes</b> |       | <b>(81,12,338)</b>                  | <b>(55,31,734)</b>                  |
| <i>Net changes in working capital:</i>                     |       |                                     |                                     |
| Trade and other receivables                                |       | 24,35,781                           | (11,51,463)                         |
| Due from related parties                                   |       | 40,66,495                           | 7,39,789                            |
| Trade and other payables                                   |       | 36,00,499                           | (2,33,057)                          |
| Due to related parties                                     |       | (16,07,648)                         | 70,32,342                           |
| Cashflow from Operations                                   |       | 3,82,790                            | 8,55,877                            |
| Employees' end of service benefits paid                    | 18    | (1,43,459)                          | (4,25,663)                          |
| <b>Net cash from operating activities</b>                  |       | <b>2,39,331</b>                     | <b>4,30,214</b>                     |
| <b>INVESTING ACTIVITY</b>                                  |       |                                     |                                     |
| Purchase of property and equipment                         | 6     | (5,794)                             | (11,951)                            |
| <b>Net cash used in investing activity</b>                 |       | <b>(5,794)</b>                      | <b>(11,951)</b>                     |
| <b>Net changes in cash and cash equivalents</b>            |       | <b>2,33,537</b>                     | <b>4,18,263</b>                     |
| Cash and cash equivalents, beginning of year               |       | 7,53,135                            | 3,34,872                            |
| <b>Cash and cash equivalents, end of year</b>              | 8     | <b>9,86,672</b>                     | <b>7,53,135</b>                     |

The accompanying notes from 1 to 20 form an integral part of these financial statements

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### Notes To The Financial Statements For The Year Ended March 31, 2023

|          |   |                         |                         |
|----------|---|-------------------------|-------------------------|
| <b>6</b> | <b>Property and equipment</b>                 |                         |                         |
|          |   | <b>Computers</b>        | <b>Total</b>            |
|          |   | <b>AED</b>              | <b>AED</b>              |
|          | <b>Cost:</b>                                  |                         |                         |
|          | Balance at April 1, 2021                      | 19,807                  | 19,807                  |
|          | Additions                                     | 11,951                  | 11,951                  |
|          | Balance at March 31, 2022                     | <u>31,758</u>           | <u>31,758</u>           |
|          | Additions                                     | 5,794                   | 5,794                   |
|          | <b>Balance at March 31, 2023</b>              | <u><b>37,552</b></u>    | <u><b>37,552</b></u>    |
|          | <b>Accumulated depreciation:</b>              |                         |                         |
|          | Balance at April 1, 2021                      | 1,877                   | 1,877                   |
|          | Charge for the year (note 13)                 | 7,458                   | 7,458                   |
|          | Balance at March 31, 2022                     | <u>9,335</u>            | <u>9,335</u>            |
|          | Charge for the year (note 13)                 | 8,791                   | 8,791                   |
|          | <b>Balance at March 31, 2023</b>              | <u><b>18,126</b></u>    | <u><b>18,126</b></u>    |
|          | <b>Net carrying amount at March 31, 2023</b>  | <b>19,426</b>           | <b>19,426</b>           |
|          | Net carrying amount at March 31, 2022         | <u><u>22,423</u></u>    | <u><u>22,423</u></u>    |
| <b>7</b> | <b>Trade and other receivables</b>            |                         |                         |
|          |   | <b>2023</b>             | <b>2022</b>             |
|          |   | <b>AED</b>              | <b>AED</b>              |
|          | <i>Financial assets:</i>                      |                         |                         |
|          | Trade receivables                             | 29,17,318               | 17,85,125               |
|          | Less: provision for doubtful debts            | <u>(9,45,400)</u>       | <u>(9,85,971)</u>       |
|          | Net account receivables                       | 19,71,918               | 7,99,154                |
|          | Contract assets                               | 24,69,416               | 58,39,444               |
|          | Deposits                                      | <u>3,08,287</u>         | <u>3,08,287</u>         |
|          |   | <u><b>47,49,621</b></u> | <u><b>69,46,885</b></u> |
|          | <i>Non-financial assets:</i>                  |                         |                         |
|          | Advances to staff                             | -                       | 30,000                  |
|          | Prepayments                                   | 7,19,795                | 8,87,741                |
|          |   | <u>7,19,795</u>         | <u>9,17,741</u>         |
|          |   | <u><b>54,69,416</b></u> | <u><b>78,64,626</b></u> |
|          | Movement of provision for doubtful debts :    |                         |                         |
|          |   | <b>2023</b>             | <b>2022</b>             |
|          |   | <b>AED</b>              | <b>AED</b>              |
|          | Balance at the beginning of the year          | 9,85,971                | 64,848                  |
|          | (Reversal)/Provided during the year (note 13) | <u>(40,571)</u>         | <u>9,21,123</u>         |
|          |   | <u><b>9,45,400</b></u>  | <u><b>9,85,971</b></u>  |
| <b>8</b> | <b>Cash and cash equivalents</b>              |                         |                         |
|          |   | <b>2023</b>             | <b>2022</b>             |
|          |   | <b>AED</b>              | <b>AED</b>              |
|          | Cash on hand                                  | 8,849                   | 7,545                   |
|          | Cash at bank                                  | <u>9,77,823</u>         | <u>7,45,590</u>         |
|          |   | <u><b>9,86,672</b></u>  | <u><b>7,53,135</b></u>  |

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### Notes To The Financial Statements For The Year Ended March 31, 2023

#### 9 Share capital

The share capital of the Company consists of 100 fully paid ordinary shares with a par value of AED 1,500 (2022: AED 1,500) each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Company.

|  | 2023            | 2022            |
|--|-----------------|-----------------|
|  | AED             | AED             |
| <b>Authorised, issued and paid up capital</b>      |                 |                 |
| 100 shares (Previous year : 100) of AED 1,500 each | 1,50,000        | 1,50,000        |
|  | <u>1,50,000</u> | <u>1,50,000</u> |

| Name of Shareholders        | Number of shares | % Holding | 2023            | 2022            |
|-----------------------------|------------------|-----------|-----------------|-----------------|
|                             |                  |           | AED             | AED             |
| Mastek Arabia FZ LLC        | 49               | 49%       | 73,500          | 73,500          |
| Mr. Abdulla Mubarak Abdulla | 51               | 51%       | 76,500          | 76,500          |
|                             |                  |           | <u>1,50,000</u> | <u>1,50,000</u> |

#### 9.1 Statutory reserve

In accordance with the Articles of Association of the Company and UAE Federal Law No. (2) of 2015, as amended, a minimum of 10% of the net profit of the Company is required to be allocated to statutory reserve every year. Such transfers are required to be made until the balance on the legal reserve equals one half of the Company's paid-up share capital. During the year, Nil was transferred to the statutory reserve (2022: Nil).

#### 10 Trade and other payables

|                                   | 2023             | 2022             |
|-----------------------------------|------------------|------------------|
|                                   | AED              | AED              |
| <i>Financial liabilities:</i>     |                  |                  |
| Trade payables                    | 5,60,580         | 10,27,264        |
| Other payables                    | 7,45,901         | 13,46,032        |
| VAT payable, net                  | 45,745           | 51,616           |
| Payable for leave salary          | 1,69,665         | 1,89,853         |
|                                   | <u>15,21,890</u> | <u>26,14,765</u> |
| <i>Non-financial liabilities:</i> |                  |                  |
| Contract liabilities              | 51,18,522        | 4,25,148         |
|                                   | <u>51,18,522</u> | <u>4,25,148</u>  |
|                                   | <u>66,40,412</u> | <u>30,39,913</u> |



# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

Notes To The Financial Statements  
For The Year Ended March 31, 2023

---

### 11 Revenue

|                 | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------|------------------------------|------------------------------|
|                 | AED                          | AED                          |
| Service revenue | 2,20,04,243                  | 2,65,06,242                  |
|                 | <u>2,20,04,243</u>           | <u>2,65,06,242</u>           |

### 12 Cost of sales

|  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
|  | AED                          | AED                          |
| Salaries and benefits                  | 1,76,11,632                  | 1,86,58,647                  |
| Professional services* (refer note 14) | 87,78,126                    | 74,94,784                    |
| Programming expenses                   | 4,02,969                     | 14,54,865                    |
|  | <u>2,67,92,727</u>           | <u>2,76,08,296</u>           |

## EVOLUTIONARY SYSTEMS CONSULTANCY LLC

### Financial Statements

Notes To The Financial Statements  
For The Year Ended March 31, 2023

#### 13 Administrative, selling and general expenses

|                                       | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------|------------------------------|------------------------------|
|                                       | AED                          | AED                          |
| Withholding tax                       | 4,91,365                     | 19,17,038                    |
| Staff benefits and related costs      | 11,99,621                    | 9,64,590                     |
| Provision for doubtful debts (note 7) | (40,571)                     | 9,21,123                     |
| Accommodation expense                 | 8,29,637                     | 6,44,763                     |
| Travel expenses                       | 4,84,727                     | 4,57,707                     |
| Rates and taxes                       | 2,33,853                     | 2,51,000                     |
| Professional fees                     | 2,95,250                     | 2,33,744                     |
| Sponsorship fees                      | 1,40,000                     | 1,35,000                     |
| Postage and communication             | 87,869                       | 82,930                       |
| Rent expense                          | 28,250                       | 27,240                       |
| Bank charges                          | 17,909                       | 24,220                       |
| Depreciation (note 6)                 | 8,791                        | 7,458                        |
| Others                                | 3,05,634                     | 1,69,852                     |
|                                       | <u>40,82,335</u>             | <u>58,36,665</u>             |

#### 14 Related party transactions

The Company in the normal course of business carries on transactions with other business enterprises that fall within the definition of a related party. Parties are considered to be related to the Company if the party has the ability, directly or indirectly, to exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. The transactions are measured at amounts agreed to by both parties.

##### Name of related party

Evolutionary Systems Arabia FZ.-LLC  
Mastek Enterprise Solutions Private Limited, India  
Evolutionary Systems Egypt Ltd, Egypt  
Evolutionary Systems Corp.  
Evolutionary Systems Pty Ltd  
Evolutionary Systems (Singapore) PTE. LTD.  
Evolutionary Systems Bahrain SPC  
Evolutionary Systems Company Limited-Uk  
Evolutionary Systems Saudi LLC  
Mr. Abdulla Mubarak Abdulla Yousof Al Kharniri  
Mastek Arabia FZ.LLC  
Mr. Rakesh Raman (COO MEA)  
Mastek LTD - India

##### Nature of relationship

Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Entity under common control  
Shareholders  
Shareholders  
Key management personnel  
Ultimate Holding Company

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

Notes To The Financial Statements  
For The Year Ended March 31, 2023

---

### 15 Financial instruments risk

#### **Risk management objectives and policies**

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity 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 securities traded in the market.

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

#### **Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows 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 changes 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.

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

### Notes To The Financial Statements For The Year Ended March 31, 2023

---

#### 15 Financial instruments risk (continued)

##### 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:

|  | 2023             | 2022               |
|--|------------------|--------------------|
|  | AED              | AED                |
| Trade and other receivables (refer note 7) | 47,49,621        | 69,46,885          |
| Cash at bank (refer note 8)                | 9,77,823         | 7,45,590           |
| Due from related parties (refer note 14)   | 16,22,276        | 56,88,771          |
|  | <u>73,49,720</u> | <u>1,33,81,246</u> |

##### Cash at bank:

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

##### Trade and other receivables:

Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by management. The utilisation of credit limits are regularly monitored.

##### 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 Company's financial liabilities are summarised below:

|  | 2023               | 2022               |
|--|--------------------|--------------------|
|  | AED                | AED                |
| Trade and other payables (refer note 10) | 15,21,890          | 26,14,765          |
| Due to related parties (refer note 14)   | 1,35,08,084        | 1,51,15,731        |
|  | <u>1,50,29,974</u> | <u>1,77,30,496</u> |

#### 16 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 companies' financial assets comprising of accounts and other receivables, prepayments and bank balance and financial liabilities comprising of accounts and other payables that approximate to their carrying values.

## EVOLUTIONARY SYSTEMS CONSULTANCY LLC

### Financial Statements

#### Notes To The Financial Statements For The Year Ended March 31, 2023

---

#### 17 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 maintain an optimal structure so as to maximize shareholder value.

#### 18 Employees' end of service benefits

The movement is as follows:

|                                     | 2023             | 2022             |
|-------------------------------------|------------------|------------------|
|                                     | AED              | AED              |
| As at the beginning of the year     | 15,24,716        | 18,50,319        |
| Charge for the year                 | 5,13,933         | 4,77,604         |
| Defined benefit plan actuarial loss | (4,98,782)       | (3,77,544)       |
| Payments during the year            | (1,43,459)       | (4,25,663)       |
|                                     | <u>13,96,408</u> | <u>15,24,716</u> |
|                                     |                  |                  |
|                                     | 2023             | 2022             |
|                                     | AED              | AED              |
| Projected Benefit Obligation        | 15,24,716        | 18,50,319        |
| Current Liability                   | 1,26,102         | 1,24,314         |
| Non-Current Liability               | 12,70,310        | 14,00,402        |

#### 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:

|                              | 2023  | 2022  |
|------------------------------|-------|-------|
| Discount rate (p.a)          | 5.35% | 3.85% |
| 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.

# EVOLUTIONARY SYSTEMS CONSULTANCY LLC

## Financial Statements

Notes To The Financial Statements  
For The Year Ended March 31, 2023

---

### 18 Employees' end of service benefits (continued)

#### ii) Demographic Assumptions:

##### a) Retirement Age:

The employees of the Company are assumed to retire at the age of 60 years.

##### b) Mortality:

|   | Age | Rates (p.a.) |
|---|-----|--------------|
| 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.

##### 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.

### 19 Contingent liability

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

### 20 Comparative figures

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

---