EVOLUTIONARY SYSTEMS CORP.

Consolidated Statement of financial position as at March 31, 2024

(in USD)

	Note	**As at**	
		March 31, 2024	**March 31, 2023**
ASSETS			
Non-current assets			
Property, plant and equipment, net	3(a)	13,054	30,521
Deferred tax assets, net	20(c)	7,08,912	11,92,339
Income tax (Current-tax) assets		5,83,136	7,07,711
Other non-current assets	4	4,563	4,563
Total non-current assets		**13,09,665**	**19,35,134**
Current assets			
Trade receivables	5	1,10,72,353	50,69,278
Cash and cash equivalents	6	11,93,583	14,68,997
Other current assets	7	17,25,349	55,31,240
Total current assets		**1,39,91,285**	**1,20,69,515**
Total assets		**1,53,00,950**	**1,40,04,649**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	-	-
Other equity	9	35,64,756	20,88,066
Total equity		**35,64,756**	**20,88,066**
LIABILITIES			
Current liabilities			
Financial liabilities			
Borrowings	10	34,63,693	40,77,916
Trade payables	11	62,98,100	56,56,848
Other current liabilities	12	19,74,401	21,81,818
Total current liabilities		**1,17,36,194**	**1,19,16,583**
Total equity and liabilities		**1,53,00,950**	**1,40,04,649**

The accompanying notes form an integral part of the consolidated financial statements.

EVOLUTIONARY SYSTEMS CORP.

Consolidated Statement of profit and loss and other Comprehensive income for the year ended March 31, 2024

(in USD)

	Note	For the year ended	
		March 31, 2024	March 31, 2023
Revenue	13	2,51,89,291	2,43,18,774
Employee benefits expenses	15	(91,12,201)	(86,51,794)
Depreciation expenses	16	(17,466)	(19,239)
Other expenses	17	(1,50,36,145)	(1,89,43,088)
Operating profit		**10,23,480**	**(32,95,346)**
Other income	14	11,77,037	4,901
Finance costs	18	(85,777)	(75,305)
Profit before tax		**21,14,741**	**(33,65,750)**
Tax (expense) / credit			
Current tax	20	(62,917)	(13,087)
Deferred tax	20	(5,51,448)	8,25,140
Tax related to earlier years		-	3,24,025
Total tax expense		**(6,14,365)**	**11,36,078**
Profit for the Financial Year		**15,00,376**	**(22,29,673)**
Other comprehensive income (OCI) for the year			
Items that may be reclassified subsequently to the statement of profit or loss			
Loss on foreign currency translation		(23,686)	(28,633)
Total other comprehensive income		**(23,686)**	**(28,633)**
Total comprehensive income for the year		**14,76,690**	**(22,58,306)**
Earnings per equity share (in USD)			
Basic and Diluted (at no par value)	19	5.46	(8.1)

The accompanying notes form an integral part of the consolidated financial statements.

EVOLUTIONARY SYSTEMS CORP.

Consolidated Statement of changes in equity for the year ended March 31, 2024

(in USD)

Particulars	Share capital	Share premium	Other equity		Total other equity
			Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2023		2,750	21,15,189	(29,873)	20,88,066
Profit for the year			15,00,376		15,00,376
Change during the year				(23,686)	(23,686)
Balance as at March 31, 2024		**2,750**	**36,15,565**	**(53,559)**	**35,64,756**
Balance as at April 01, 2022	-	2,750	43,44,862	(1,240)	43,46,372
Profit for the year			(22,29,673)		(22,29,673)
Change during the year				(28,633)	(28,633)
Balance as at March 31, 2023	**-**	**2,750**	**21,15,189**	**(29,873)**	**20,88,066**

1 **Company Overview**

Evolutionary Systems, Corp. ("the Company") was incorporated on May 01, 2014 in the Commonwealth of Massachusetts. The Company is a Global Oracle Platinum Partner providing enterprise solutions to various industries.

In May 2018, the Company entered into a share purchase agreement for acquisition of 100% of outstanding shares of Newbury Taleo Group, Inc. ("Newbury"), a Delaware Corporation, for an aggregate purchase consideration of USD 2.22 Million with an effective acquisition date of April 1, 2018. Newbury is in the business of providing professional services and staffing for information technology solutions. They have a special focus on implementing Oracle Cloud Application in North America.

In May 2021, a subsidiary company Evolutionary Systems Canada Limited was incorporated in Ontario. The subsidiary is provider of vertically-focused enterprise technology solutions in Canadian market.

The details of Holding Company is as follows:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited)	India	100%	100%

The details of subsidiaries including step-down subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Newbury Taleo Group, Inc.	USA	100%	100%
Evolutionary Systems Canada Limited	Canada	100%	100%

2 **Basis of preparation**

a. Statement of Compliance

These Consolidated Financial Statements below (also referred to as "the financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

They have been prepared under the assumption that the Group operates on a going concern basis.

As at previous year, the consolidated financial statements were prepared in US GAAP. However, management has voluntarily changed the reporting framework and this consolidated financial statements has been presented as per IFRS reporting framework. Since there are no gaap adjustment identified, none of the financial statement line item (FSLI) was required to be restated to align with the IFRS framework.

These consolidated financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these consolidated financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The consolidated financial statements comprise the consolidated statement of financial position as of March 31, 2024 with comparative statement of financial position as on March 31, 2024; the consolidated statement of profit and loss and other comprehensive loss; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the years ended March 31, 2024 with comparatives for the year ended March 31, 2023.

At the date of authorization of these consolidated financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted have not been listed / disclosed below as they are not expected to have a material impact on the Group's financial statements.
All amounts included in the consolidated financial statements are reported in US dollar (in $).

b. Basis of preparation

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

• Certain financial assets and liabilities measured at fair value; and
• Defined benefit and employee benefits.

c. Use of estimate and judgement

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

i) *Revenue Recognition:* The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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

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

iv) *Impairment testing:* Goodwill and Intangible assets recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

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

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

vii) *Provisions:* Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to their present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

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

IFRS 16 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Group has taken indicative rates from its bankers and used them for IFRS 16 calculation purposes.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

e. Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in USD dollar, which is the functional currency of the Group.

ii) Foreign currency transactions and balances

Foreign currency transactions of the Group are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at each reporting date based on the rate prevailing on such date. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

(iii) Financial instruments

A. Initial recognition and measurement

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

B. Subsequent measurement

a. Financial assets carried at amortised cost

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

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

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

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

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

d. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition of financial instruments

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

(iv) Current versus non-current classification

1. An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
b. Held primarily for the purpose of trading, or
c. Expected to be realised within twelve months after the reporting period, or
d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2. All other assets are classified as non-current.

3. Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle, or
b. Held primarily for the purpose of trading, or
c. Due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

4. All other liabilities are classified as non-current.

5. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6. All assets and liabilities have been classified as current or non-current as per the Group's operating cycle. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as a period not exceeding twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category	**Useful life**
Computers	2 years
Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	5 - 10 years or the primary period of lease whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation on addition/ disposal is calculated pro-rata from the date of such addition/disposal.

(vi) Leases

As a lessee

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

a. Right of use assets

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

b. Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines, office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.
The Group does not have any leases as a lessor.

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

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

(viii) Other short-term benefits
The employees of the Group are also entitled for other short-term benefits in the form of compensated absences. Group's liability towards compensated absences is determined as per the local laws on a full liability basis for the entire un-availed vacation balances standing to the credit of each employee as at the year end.

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

(x) Revenue Recognition
The Group derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Group recognises revenue over time of period of contract on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Group expects to be entitled. To recognise revenues, Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.
Group accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognised in accordance with the method prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple element arrangements-
In contracts with multiple performance obligations, Group accounts for individual performance obligations separately if they are distinct by allocating the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Group uses expected cost plus margin approach.
IT support and maintenance-
Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised ratably over the period of the contract because the Group transfers the control evenly by providing standard services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognised ratably over the term.

Contracts may include incentives, service level penalties and rewards. The Group includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.
Any modification or change in existing performance obligations is assessed whether the services added to the existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.
Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which there exists an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognised.
The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performance obligations and customer payment.
Cost to fulfil the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

(xi) Income tax
Tax expense recognised in consolidated statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
Calculation of current tax is based on tax rates and tax laws applicable to the reporting period and for deferred tax with tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.
Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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

(xiii) Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential

(xiv) Cash and cash equivalents
Cash and cash equivalents include cash in hand and balance with current bank accounts.

(xv) Other income

Other income comprises interest income on deposits, dividend, gain/(losses) on disposal of investments, referral income and interest income recognised using the effective interest method.

(xvi) New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and had not yet been adopted.

Standard	**Description**
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts—Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single

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EVOLUTIONARY SYSTEMS CORP.

Notes to the Consolidated Financial Statements for year ended March 31, 2024

4 Other non-current assets	**As at March 31, 2024**	**As at March 31, 2023**
Investments	-	-
Security deposits	4,563	4,563
	4,563	**4,563**

Refer note 24 for information on credit risk and market risk.

5 Trade receivables	**As at March 31, 2024**	**As at March 31, 2023**
Trade receivables, gross from related party (refer note 21(iii))	-	8,78,456
Trade receivables, gross from others	1,17,90,143	61,29,566
Less: Allowance for expected credit losses	(7,17,790)	(19,38,744)
	1,10,72,353	**50,69,278**

Notes

(i) Trade receivables are non-interest bearing.

(ii) Refer note 24 for information on credit risk and market risk.

(iii) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

6 Cash and cash equivalents	**As at March 31, 2024**	**As at March 31, 2023**
Bank balances - in current bank accounts	11,93,583	14,68,997
	11,93,583	**14,68,997**

Notes:

i) Refer note 24 for information on credit risk and market risk.

ii) There are no repatriation restrictions with regards to cash and cash equivalents.

7 Other current assets	**As at March 31, 2024**	**As at March 31, 2023**
Prepaid expenses	(3,875)	7,080
Contract asset [refer note 2(e)(x)]	17,29,224	55,24,160
	17,25,349	**55,31,240**

Note:

i) Refer note 24 for information on credit risk and market risk.

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Notes to the Consolidated Financial Statements for year ended March 31, 2024

	As at	
8 Equity share capital	**March 31, 2024**	**March 31, 2023**
Authorised:		
275,000 (March 31, 2021: 275,000 shares of no par value) equity shares of no par value	-	-
Issued, subscribed and fully paid up :		
275,000 (March 31, 2021: 275,000 shares of no par value) equity shares of no par value	-	-

(a) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having no par value. Each shareholder is eligible for one vote per share held and dividend rights in equivalent proportion. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at			
	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance as at beginning of the year	2,75,000	-	2,75,000	-
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	**2,75,000**	**-**	**2,75,000**	**-**

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

	As at			
Name of the shareholder	**March 31, 2024**		**March 31, 2023**	
	No. of shares	**% of holding**	**No. of shares**	**% of holding**
Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited)	2,75,000	100%	2,75,000	100%

	As at	
9 Other equity	**March 31, 2024**	**March 31, 2023**
Share premium	2,750	2,750
Retained earnings	36,15,565	21,15,189
(All net gains and losses and transactions with owners including prior year's undistributed earning after taxes)		
Foreign currency translation reserve	(53,559)	(29,873)
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from		
	35,64,756	**20,88,066**

	As at	
10 Borrowings	**March 31, 2024**	**March 31, 2023**
Unsecured		
Loan from related party, interest free and repayable on demand	34,63,693	40,77,916
	34,63,693	**40,77,916**

	As at	
11 Trade payables	**March 31, 2024**	**March 31, 2023**
Trade payables	62,98,100	56,56,848
	62,98,100	**56,56,848**

Notes

(i) All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.
(ii) Refer note 24 for information on liquidity risk.

	As at	
12 Other current liabilities	**March 31, 2024**	**March 31, 2023**
Employee benefits payable	10,59,375	7,69,088
Contract liabilities [refer note 2(e)(x)]	7,84,569	12,68,819
Other payables	6,65,900	1,43,911
Intercompany loan and other balances	(5,35,444)	-
	19,74,401	**21,81,818**

Notes

(i) Refer note 24 for information on liquidity risk
(ii) The amounts recognised as a contract liability will generally be utilised within the next annual reporting period.

13 Revenue	For the year ended	
	March 31, 2024	**March 31, 2023**
Sale of services		
Information technology services	2,48,76,777	2,40,27,128
Other operating revenue	3,12,514	2,91,646
	2,51,89,291	**2,43,18,774**

Disaggregated revenue

The table below presents disaggregated revenues from contracts with customers by customer location and service line for each of the business segments. The Group believe this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
Revenue by geography	**March 31, 2024**	**March 31, 2023**
US	2,51,89,291	2,43,18,774
	2,51,89,291	**2,43,18,774**

Notes:

i) The above figures have been extracted from MIS generated report, to compute Time and Material and Fix Bid Revenue.

14 Other income	For the year ended	
	March 31, 2024	**March 31, 2023**
Other non-operating income	488	4,901
Income from Group Companies	11,76,549	-
	11,77,037	**4,901**

EVOLUTIONARY SYSTEMS CORP.

Notes to the Consolidated Financial Statements for year ended March 31, 2024

15 Employee benefits expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages & performance incentives	87,05,472	82,66,481
Staff welfare expenses	4,06,728	3,85,313
	91,12,201	**86,51,794**

16 Depreciation expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Property, plant and equipment (refer note 3(a))	17,466	19,239
	17,466	**19,239**

17 Other expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Recruitment and training expenses	-	80,000
Travelling and conveyance expenses	5,68,976	5,53,866
Communication charges	12,955	22,979
Consultancy and sub-contracting charges (refer note 21)	1,39,19,359	1,53,46,138
Software development cost	27,360	41,194
Rates and taxes	39,382	10,492
Repairs		
Buildings	1,191	17,418
Others	46,577	8,757
Insurance charges	57,109	58,189
Printing & stationery	23	164
Professional fees	98,289	1,01,193
Rent (Refer note 26)	1,11,385	1,11,211
Advertisement and publicity	82,215	1,52,894
Provision for doubtful trade receivables	(6,74,867)	18,69,244
Net loss on foreign currency transactions and translation	(10,360)	32,411
Bank charges	8,770	10,748
Reimbursement to group companies	7,17,833	4,57,448
Miscellaneous expenses	29,947	68,741
	1,50,36,145	**1,89,43,088**

18 Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023
Other finance charges	85,777	75,305
	85,777	**75,305**

19 Earnings Per Share (EPS)	For the year ended March 31, 2024	For the year ended March 31, 2023
The components of basic and diluted loss per share for total operations are as follows:		
(a) Net profit attributable to equity shareholders	15,00,376	(22,29,673)
(b) Weighted average number of outstanding equity shares considered for basic and diluted EPS (Refer note 9)	2,75,000	2,75,000
(c) Basic and diluted EPS	**5.46**	**(8.11)**

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