PT INTELLECT DESIGN ARENA

FINANCIAL STATEMENTS
AS OF MARCH 31, 2020 AND
FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITOR'S REPORT

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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF MARCH 31, 2020
AND FOR THE YEAR THEN ENDED
PT INTELLECT DESIGN ARENA

I, the undersigned below:

Name	: Philo Dellano
Identity No.	: 3313111811870001
Address	: Menara BCA 50th floor Jl. MH Thamrin No.1 Jakarta
Position	: Director

Declare that:

1. I am responsible for the preparation and presentation of the Company's financial statements **PT Intellect Design Arena** March 31, 2020;

2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. All information contained in the financial statements is complete and correct;

   b. The financial statements do not contain misleading material information or facts, and do not omit material information or facts;

4. I am responsible for Company's internal control system.

This statement has been made truthfully.

Jakarta, July 20, 2020
PT Intellect Design Arena

METERAI TEMPEL 93FD2AHF562023300 6000 ENAM RIBU RUPIAH

INTELLECT DESIGN ARENA intellect

Philo Dellano
Director

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Crowe

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INDEPENDENT AUDITOR'S REPORT

Report No. 01030/2.1051/AU.1/05/0268-1/1/VII/2020

The Shareholders, Commissioner and Director
PT INTELLECT DESIGN ARENA

We have audited the accompanying financial statements of PT Intellect Design Arena, which comprise the statement of financial position as of March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in capital deficiency and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Intellect Design Arena as of March 31, 2020, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matter

We draw attention to Note 21 to the financial statements which indicates that PT Intellect Design Arena has incurred a negative working capital of Rp 4,129,027,045 and deficit of Rp 6,886,411,875 which resulted to a capital deficiency of Rp 3,595,597,875 as of March 31, 2020. These conditions indicate the existence of a material uncertainty that may cast significant doubt about its ability to continue as a going concern. With regards to this matter, Intellect Design Arena Ltd., Singapore, the immediate parent entity, has committed to provide financial support for PT Intellect Design Arena to allow it to meet its maturing obligations as they fall due. Management's plans concerning these matters are also discussed in Note 21 to the financial statements. Accordingly, the accompanying financial statements have been prepared assuming that PT Intellect Design Arena will continue as a going concern. The financial statements do not include any adjustments that might arise from the outcome of this uncertainty and our opinion is not modified in respect of this matter.

KOSASIH, NURDIYAMAN, MULYADI, TJAHJO & REKAN

Dra Juanita Budijani, CPA.
Public Accountant License No. AP. 0268

July 20, 2020

PT INTELLECT DESIGN ARENA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2020
(Expressed in Rupiah, unless otherwise stated)

	Notes	2020	2019
ASSETS			
CURRENT ASSETS			
Cash in bank	2,4	1,673,073,561	885,467,675
Trade receivable - third party	2,5	7,323,597,897	-
Unbilled receivable - third party	2,6,16	6,025,893,252	15,736,277,228
Prepaid expense	2,7	64,811,889	73,160,122
Advances		42,386,965	-
Prepaid tax	2,10	299,120,522	896,251,579
Total Current Assets		**15,428,884,086**	**17,591,156,604**
NON-CURRENT ASSETS			
Claim for tax refund	2,10	-	542,739,417
Deferred tax assets - net	2,10	278,443,070	291,129,916
Equipment - net	2,8	15,181,100	20,299,900
Security deposits	2	269,486,000	269,486,000
Total Non-current Assets		**563,540,170**	**1,123,655,233**
TOTAL ASSETS		**15,991,994,256**	**18,714,811,837**
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Other payables - related parties	2,16	18,938,062,393	21,732,144,390
Accrued expenses	2,9	614,850,593	586,095,749
Taxes payable	2,10	4,998,145	6,597,073
Total Current Liabilities		**19,557,911,131**	**22,324,837,212**
NON-CURRENT LIABILITY			
Employee benefits liability	2, 15	29,681,000	145,408,000
Total Liabilities		**19,587,592,131**	**22,470,245,212**
CAPITAL DEFICIENCY			
Share capital - Authorized 10,000 shares with Rp 1,209,200 (USD 100) par value per share; Issued and fully paid 2,500 shares as of March 31, 2019 and 2018	11	3,023,000,000	3,023,000,000
Additional paid-in capital	11	267,844,000	267,844,000
Deficit		(6,886,441,875)	(7,046,277,375)
Capital Deficiency – net		**(3,595,597,875)**	**(3,755,433,375)**
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY		**15,991,994,256**	**18,714,811,837**

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

PT INTELLECT DESIGN ARENA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For The Year Ended
March 31, 2020
(Expressed in Rupiah, unless otherwise stated)

	Notes	2020	2019
REVENUE	2,12	4,814,726,044	8,182,635,595
COST OF REVENUES	2,13,16	(2,782,920,090)	(7,095,289,269)
GROSS INCOME		**2,031,805,954**	**1,087,346,326**
Operating expenses	2, 14	(1,528,520,906)	(2,919,220,564)
OPERATING INCOME (LOSS) - NET		**503,285,048**	**(1,831,874,238)**
OTHER INCOME (EXPENSES)	2		
Bank charges		(78,882,803)	(21,458,366)
Loss on foreign exchange - net		(413,169,899)	(58,837,749)
Tax expense		(1,000,000)	-
Total Other Expenses - Net		**(493,052,702)**	**(80,296,115)**
INCOME (LOSS) BEFORE INCOME TAX		**10,232,346**	**(1,912,170,353)**
INCOME TAX BENEFIT	2, 10		
Deferred		27,885,654	86,508,253
NET INCOME (LOSS)		**38,118,000**	**(1,825,662,100)**
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) item not to be reclassified to profit or loss subsequently:			
Remeasurement of employee benefits liability	2, 15	162,290,000	293,254,000
Related income tax	2, 10	(40,572,500)	(73,313,500)
Other Comprehensive Income (Loss) - net		121,717,500	219,940,500
TOTAL COMPREHENSIVE INCOME (LOSS)		**159,835,500**	**(1,605,721,600)**

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

PT INTELLECT DESIGN ARENA
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For The Year Ended
March 31, 2020
(Expressed in Rupiah, unless otherwise stated)

	Share Capital (Note 10)	Additional Paid-in Capital (Note 10)	Deficit	Capital Deficiency - net
Balance as of April 1, 2018	**3,023,000,000**	**267,844,000**	**(5,440,555,775)**	**(2,149,711,775)**
Net loss	-	-	(1,825,662,100)	(1,825,662,100)
Other comprehensive income - net of tax	-	-	219,940,500	219,940,500
Balance as of March 31, 2019	**3,023,000,000**	**267,844,000**	**(7,046,277,375)**	**(3,755,433,375)**
Net income	-	-	38,118,000	38,118,00
Other comprehensive income - net of tax	-	-	121,717,500	121,717,500
Balance as of March 31, 2020	**3,023,000,000**	**267,844,000**	**(6,886,441,875)**	**(3,595,597,875)**

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

PT INTELLECT DESIGN ARENA
STATEMENT OF CASH FLOWS
For The Year Ended
March 31, 2020
(Expressed in Rupiah, unless otherwise stated)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		10,232,346	(1,912,170,353)
Adjustments to reconcile income (loss) before income tax to net cash provided by operating activities:			
Employee benefits expense	15	46,563,000	162,431,000
Depreciation	8	5,118,800	4,480,286
Changes in working capital:			
Trade receivable - third party		(7,323,597,897)	-
Unbilled receivable - third party		9,710,383,976	1,651,722,772
Prepaid expense		8,348,233	(12,172,952)
Advances		(42,386,965)	92,647,046
Prepaid tax		597,131,057	(896,251,579)
Claims for tax refund		-	(542,739,417)
Other payable - related parties		(2,794,081,997)	1,257,860,861
Accrued expenses		28,754,844	(338,012,510)
Taxes payable		(1,598,928)	(118,405,363)
Tax refund received	10	542,739,417	-
Net Cash Provided by (Used In) Operating Activities		**787,605,886**	**(650,610,209)**
NET INCREASE (DECREASE) IN CASH IN BANK		**787,605,886**	**(650,610,209)**
CASH IN BANK AT THE BEGINNING OF THE YEAR		**885,467,675**	**1,536,077,884**
CASH IN BANK AT THE END OF THE YEAR		**1,673,073,561**	**885,467,675**

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

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

The Company's establishment

PT Intellect Design Arena (the "Company") was established in Indonesia on December 16, 2014 based on Notarial Deed No. 13 of Mar'atus Sholihah, S.H. The Notarial Deed was recorded by Investment Coordinating Board with No. 3196/1/IP/PMA/2014 dated November 10, 2014 and was approved by the Ministry of Law and Human Rights in its Decision Letter No. AHU-40041.40.10.2014 dated December 17, 2014 and its publication on the State Gazette of the Republic of Indonesia is still in process.

In accordance with Article 3 of the Company's Articles of Association, the Company's objectives and scope of activities are to engage in creation, implementation, and maintenance of software and consultation services related to the analysis, design and programming of computer systems.

The Company commenced its operations in February 2015. The Company is domiciled in Menara BCA, 50 Floor, Jl. MH Thamrin No.1, Jakarta Pusat, 10230, Indonesia.

Commissioner, Director and Employees

Based on Circular Resolution In Lieu of the Extraordinary General Meeting of Shareholder dated March 21, 2019, the Company changed its Director. As of March 31, 2020 and 2019, the detail is as follows:

	2020	2019
Commissioner:	Govind Singhal	Govind Singhal
Director:	Philo Dellano	Philo Dellano

As of March 31, 2020 and 2019, the Company had 1 (one) and 2 (two) employees, respectively (unaudited).

Completion of the financial statements

The accompanying financial statements were completed and authorized for issue by the Company's management on July 20, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements of the Company have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statement of Financial Accounting Standards ("PSAK") and Interpretations of Statement of Financial Accounting Standard ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation of the financial statements (continued)

The financial statements have been prepared in accordance with PSAK 1, “Presentation of Financial Statements”.

The accounting policies adopted in the preparation of the financial statements are consistent with those made in the preparation of the Company’s financial statements for the year ended March 31, 2019, except for the adoption of several amended SAKs. As disclosed further in the relevant succeeding Notes, several amended and published accounting standards were adopted effective April 1, 2019.

The financial statements, except for the statement of cash flows, have been prepared on the accrual basis using the historical cost basis of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The Company applied PSAK 2, “Statement of Cash Flows”

The Statement of cash flows presents receipts and payments of cash on hand and in banks classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The presentation currency used in the preparation of the financial statements is the Indonesian Rupiah, which is the Company’s functional currency.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards

Standards and amendment to standards effective for periods beginning on or after January 1, 2020, with early application permitted are as follows:

- PSAK 71 – "Financial Instruments", adopted from IFRS 9, effective January 1, 2020

  All recognized financial assets that are within the scope of PSAK 71 are required to be subsequently measured at amortized cost of fair value. Specifically, debt investment that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting terms that give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investment and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under PSAK 71, entities may make an irrevocable election to present subsequent changes in the fair value of an entities investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination to which PSAK 22 applies) in other comprehensive income, with only dividend income generally recognized in profit or loss.

  With regard to measurement of financial liabilities designated as at fair value through profit or loss, PSAK 71 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under PSAK 55, the entire amount of the change in the fair value of the financial liability designated as fair value though profit or loss is presented in profit or loss.

  In relation to the impairment of financial assets, PSAK 71 requires an expected credit loss model, as opposed to an incurred credit loss model under PSAK 55, the expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

  The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in PSAK 55. Under PSAK 71, greater flexibility has been introduced to the types of transactions eligible for hedge accounting specifically broadening the types of instruments that quality for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Respective assessment of hedge effectiveness is also no longer required. Enhance disclosure requirement about entity's risk management activities have also been introduced.

- Amendments to PSAK 71 – "Financial Instruments: Prepayment Features with Negative Compensation"

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards (continued)

- Amendments to PSAK 71 – "Financial Instruments: Prepayment Features with Negative Compensation"

  Amendments to PSAK 71 amend paragraphs PP4.1.11 (b) and PP4.1.12 (b), and add paragraph PP4.1.12A so that financial assets with accelerated repayment features that can produce negative compensation qualify as contractual cash flows that originate soley from payment of principal and interest from the principal amount owed.

- PSAK 72 – "Revenue from contracts with Customers", adopted from IFRS 15, effective January 1, 2020

  PSAK 72 established a single comprehensive model for entities to use in accounting for revenue arising from contract with customers. PSAK 72 will supersede the current revenue recognition guidance including PSAK 23. Revenue, PSAK 34 Construction Contract and the related interpretations when it becomes effectives

  The core principle of PSAK 72 is that entity should recognize revenue to depict the transfer or promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standards introduce a 5-step approach to revenue recognition:

  Step 1: Identify the contract(s) with a customer
  Step 2: Identify the performance obligations in the contract
  Step 3: Determine the transaction price
  Step 4: Allocate the transaction price to the performance obligations in the contract
  Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

  Under PSAK 72, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

  Far more prescriptive guidance has been added PSAK 72 to deal with specific scenarios. Furthermore, extensive disclosures are required by PSAK 72.

  The standard permit either a full retrospective or a modified retrospective approach for the addition.

- PSAK 73 – "Leases", adopted from IFRS 16, effective January 1, 2020

  PSAK 73 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. PSAK 73 will supersede the current lease guidance including PSAK 30 Lease and the related interpretations when it becomes effectives.

  PSAK 73 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessees accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards (continued)

leases by lessees. (i.e. all on balance sheet) except for short term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exception) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payment, as well as the impact of lease modifications, among others. Furthermore, the classification of cash flow will also be affected as operating lease payment under PSAK 30 are presented as operating cash flows; whereas under PSAK 73 model, the lease payments will be split into a principal and a interest portion which will be presented as financing and operating cash flows respectively.

In contract to lessee accounting, PSAK 73 substantially carries forward the lessor accounting requirement in PSAK 30, and continues to requires a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by PSAK 73.

Amendments to PSAK 1 – “Presentation of Financial Statements: Definition of Material” and Amendments to PSAK 25 – “Accounting policies, changes in Accounting Estimates and Errors: Definition of Material”.

The new definition states that “information is material if committing, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information is material if it could reasonably be expected to influence decisions made by the primary users.

The company is still assessing the impact of these accounting standards and interpretations on the Company’s financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification

(i) Financial assets

Financial assets within the scope of PSAK 55 are classified as (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity investments, or (iv) available for sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at each financial year end.

The Company's financial assets consist of cash in bank, unbilled receivable and security deposit.

(ii) Financial liabilities

Financial liabilities within the scope of PSAK 55 are classified as (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities measured at amortized cost, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities consist of other payable and accrued expenses classified as financial liabilities measured at amortized cost.

Recognition and measurement

(i) Financial assets

Financial assets are recognized initially at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method less impairment, except for those assets in which the interest calculation is not material. Gains or losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process.

(ii) Financial liabilities

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

Financial liabilities measured at amortized cost are measured, subsequent to initial recognition, at amortized cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognized within "Finance Costs" in profit or loss. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting of financial instruments

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

Fair value of financial instruments

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

When the fair value of the financial instruments not traded in an active market cannot be reliably determined, such financial assets are recognized and measured at their carrying amounts.

Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss.

When the asset becomes uncollectible, the carrying amount of the financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

Subsequent recoveries of previously written off receivables, if in the current period, are credited to the allowance accounts, but if after the reporting period, are credited to other operating income.

Derecognition

(i) Financial assets

The Company derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the financial asset have expired; or the Company has transferred its rights to receive cash flows from the financial 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 financial 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by other liability 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 profit or loss.

Prepaid expenses

Prepaid expenses are amortized and charged to operations over the periods benefited using the straight-line method.

Equipment

Equipment are stated at cost less accumulated depreciation and any impairment loss. Such cost includes the cost of replacing part of the equipment when the cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Computers	4
Office equipment	5

The carrying value of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the assets is charged to profit or loss in the year the assets is derecognized.

The estimated useful lives and depreciation method are reviewed and adjusted, at year end, if necessary.

Impairment of non-financial assets

The Company assesses at each annual reporting period 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.

Impairment losses of continuing operations, if any, are recognized as profit or loss under expense categories that are consistent with the functions of the impaired assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount of a non-financial asset. An impairment loss is only reversed to the extent that the non-financial asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior year. Reversal of an impairment loss is recognized in the profit or loss.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax

Current tax expense is calculated using tax rates that have been enacted or substantively enacted at end of the reporting period, and is provided based on the estimated taxable income for the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Underpayment or overpayment of corporate income tax are presented as part of current income tax expense in the statement of profit or loss and other comprehensive income.

Amendments to tax obligations are recorded when a tax assessment letter is received. If the Company files an appeal, the Company considers whether it is probable that a taxation authority will accept the appeal and reflect its effect on the Company's tax obligations.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred tax assets are recognized for deductible temporary differences and tax losses carry-forward to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and tax losses carry-forward can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the end of reporting period. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are credited or charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, or the deferred tax assets and the deferred tax liabilities relate to the same taxable entity, or the Company intends to settle its current assets and liabilities on a net basis.

Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes (“VAT”). The Company assesses its revenue arrangements against specific criteria in order 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. The following specific recognition criteria must also be met before revenue and expense are recognized:

Revenue are recognized when the services are rendered to customers.

Expenses are recognized when incurred (accrual basis).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions and balances

The accounting records of the Company are maintained in Rupiah. Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the middle rates of exchange quoted by Bank Indonesia at such dates. Exchange gains and losses arising on foreign currency transactions and on the translation of foreign currency monetary assets and liabilities into Rupiah are recognized in the profit or loss.

The exchange rates used for translation from USD into Rupiah as of March 31, 2020 and 2019 are Rp 16,367 and Rp 14,244, respectively.

Transaction with related parties

A related party is a person or entity that is related to the Company if:

a. A person or a close member of that person's family is related to the Company if that person:
   - (i) has control or joint control over the Company;
   - (ii) has significant influence over the Company; or,
   - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

b. An entity is related to the Company if any of the following conditions applies:
   - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   - (iii) both entities are joint ventures of the same third party.
   - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company.
   - (vi) the entity is controlled or jointly controlled by a person identified in a).
   - (vii) a person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
   - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. All significant transactions and balances with related parties are disclosed in Note 15.

Employee Benefits

The Company recognized unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003. Pension costs under the Company’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, return on plan assets and annual rate of increase in compensation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit and surplus. Remeasurement recognized in other comprehensive income is reflected immediately in retained earning and will not be reclassified to profit or loss.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the related restructuring or termination costs are recognized.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

Events After Reporting Period

Events after the reporting period that provide additional information about the Company’s position at the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events, if any, are disclosed when material to the financial statements.

2018 Interpretations and Annual Improvements

In the current year, the Company has applied standards and a number of amendments/ improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2019.

- ISAK 33, “Foreign Currency Transactions and Advance Consideration”

  ISAK 33 addresses how to determine the ‘date of transaction’ for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).

  The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2018 Interpretations and Annual Improvements (continued)

- ISAK 34, “Uncertainty over Income Tax Treatments”

  The interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

  The interpretation requires an entity to:

  - determine whether uncertain tax positions are assessed separately or as a group; and
  - assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

    a. If probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

    b. If not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

- PSAK 46 (Annual Improvement 2018), “Income Taxes”

  The amendments clarify that an entity should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

The adoption of the 2018 interpretations and annual improvements has no significant impact on the financial statements.

3. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company’s financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts herein, and the related disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Classification of Financial Instruments

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company’s accounting policies disclosed in Note 2.

3. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Judgments (continued)

Determination of Functional Currency

The functional currency of the Company is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the expenses. Based on the Company’s management assessment, the Company’s functional currency is the Indonesian Rupiah.

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company's assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in spite of the conditions that indicate the existence of a material uncertainty that may cast significant doubt about its ability to continue as a going concern. Therefore, the financial statements continue to be prepared as a going concern basis. Further details are disclosed in Note 21.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Depreciation of Fixed Assets

The costs of fixed assets are depreciated or amortized on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be 4 to 5 years. These are common life expectancies applied in the industries where the Company conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives of these assets, and therefore future depreciation charges could be revised. The carrying amounts of fixed assets are disclosed in Note 8.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are disclosed in Note 10.

(Expressed in Rupiah, unless otherwise stated)

3. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company had temporary differences amounting to Rp5,524,761,506 and Rp5,701,932,716, as of March 31, 2020 and 2019, respectively, for which deferred income tax is not recognized. Further details are disclosed in Note 10.

Employee Benefits

The determination of the Company's obligations and cost for employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period which they occur. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liability for employee benefits and net employee benefits expense. The Company's estimated liability for employee benefits amounting to Rp 29,681,000 and Rp 145,408,000 as of March 31, 2020 and 2019, respectively (Note 15).

4. CASH IN BANK

The details of this account are as follows:

	2020	2019
The Hongkong and Shanghai Banking Corporation		
Rupiah	1,672,256,486	881,293,798
United States Dollar (USD 50.75 as of March 31, 2020 and USD 295.72 as of March 31, 2019)	817,075	4,173,877
Total	**1,673,073,561**	**885,467,675**

5. TRADE RECEIVABLE - THIRD PARTY

This account consists of billed receivable from completed service provided under software license and implementation agreements (Note 16) to PT Metrocom Global Solutions.

(Expressed in Rupiah, unless otherwise stated)

6. UNBILLED RECEIVABLE - THIRD PARTY

This account consists of unbilled receivable from completed service provided under software license and implementation agreements (Note 16) to PT Metrocom Global Solutions, however, invoice has not been made at the end of the year.

7. PREPAID EXPENSE

This account consists of prepayment for office rental amounting to Rp 64,811,889 and Rp 73,160,122 as of March 31, 2020 and 2019, respectively.

8. EQUIPMENT

Equipment consists of:

March 31, 2020	Beginning Balance	Additions	Ending Balance
Cost			
Computers	8,499,000	-	8,499,000
Office equipment	25,594,000	-	25,594,000
Total	**34,093,000**	**-**	**34,093,000**
Accumulated Depreciation			
Computers	8,499,000	-	8,499,000
Office equipment	5,294,100	5,118,800	10,412,900
Total	**13,793,100**	**5,118,800**	**18,911,900**
Net Book Value	**20,299,900**		**15,181,100**

March 31, 2019	Beginning Balance	Additions	Ending Balance
Cost			
Computers	8,499,000	-	8,499,000
Office equipment	25,594,000	-	25,594,000
Total	**34,093,000**	**-**	**34,093,000**
Accumulated Depreciation			
Computers	8,499,000	-	8,499,000
Office equipment	813,814	4,480,286	5,294,100
Total	**9,312,814**	**4,480,286**	**13,793,100**
Net Book Value	**24,780,186**		**20,299,900**

Depreciation charged to operating expenses amounted to Rp 5,118,800 in 2020 and Rp 4,480,286 in 2019, respectively (Note 14).

As of March 31, 2020 and 2019, equipment are not yet insured by the Company against fire and other risks.

(Expressed in Rupiah, unless otherwise stated)

8. EQUIPMENT (continued)

Based on review of the Company's management, there are no changes in conditions that indicate any impairment value of equipment as of March 31, 2020 and 2019.

9. ACCRUED EXPENSES

The details of this account are as follows:

	2020	2019
Incentives	255,330,943	274,022,981
Salaries and remuneration	193,787,607	214,340,276
Professional fees	76,000,000	76,000,000
Travel and accommodation	-	18,251,664
Others	89,732,043	3,480,828
Total	**614,850,593**	**586,095,749**

10. TAXATION

(a) Prepaid tax represents value added tax amounting to Rp 299,120,522 and Rp 896,251,579 as of March 31, 2020 and March 31, 2019 respectively.

(b) Taxes payable consists of the following:

	2020	2019
Income taxes:		
Article 23	4,998,145	6,597,073
Total	**4,998,145**	**6,597,073**

(c) The reconciliation between income (loss) before income tax as shown in the statement of profit or loss and other comprehensive income and estimated fiscal loss for the years ended March 31, 2020 and 2019 as follows:

	2020	2019
Income (loss) before income tax per statement of profit or loss and other comprehensive income	10,232,346	(1,912,170,355)
Temporary differences:		
Salaries, remuneration and incentives	67,559,177	194,043,476
Employee benefits	46,563,000	162,431,000
Professional charges	15,000,000	-
Depreciation	(2,579,560)	(4,042,964)
Sub total	126,542,617	352,431,512

(Expressed in Rupiah, unless otherwise stated)

10. TAXATION (continued)

(c) The reconciliation between income (loss) before income tax as shown in the statement of profit or loss and other comprehensive income and estimated fiscal loss for the years ended March 31, 2020 and 2019 as follows:

	2020	2019
Permanent differences:		
Business promotion	(758,330)	67,421,502
Staff welfare	59,400	11,580,826
Communication	6,234,684	9,074,812
Health insurance	33,860,491	-
Tax expenses	1,000,000	-
Office maintenance	-	-
Sub total	40,396,245	88,077,140
Estimated taxable income (fiscal loss) of the Company	**177,171,208**	**(1,471,661,703)**
Fiscal losses carry forward:		
Year 2019	(1,471,661,703)	-
Year 2017	(3,397,180,368)	(3,397,180,368)
Year 2016	(833,090,646)	(833,090,645)
Accumulated fiscal losses	**(5,524,761,509)**	**(5,701,932,716)**

(d) Estimated claim for tax refund

	2020	2019
Estimated claim for tax refund:		
Article 23	-	542,739,417

On August 12, 2019, the Company received a Tax Assessment Letter of Overpayment related to its corporate income tax for the fiscal year 2018 in the amount of Rp 542,739,417. This amount was received on November 21, 2019.

(Expressed in Rupiah, unless otherwise stated)

10. TAXATION (continued)

(d) The details of deferred tax assets and liabilities are as follows:

	2019	Credited (charged) to profit or loss	Charged to other comprehensive income	2020
Deferred tax assets - net				
Accrued salaries, remuneration and incentives	257,928,301	16,889,794	-	274,818,095
Employee benefit	36,352,000	11,640,750	(40,572,500)	7,420,250
Equipment	(3,150,385)	(644,890)	-	(3,795,275)
Net	**291,129,916**	**27,885,654**	**(40,572,500)**	**278,443,070**

	2018	Credited (charged) to profit or loss	Charged to other comprehensive income	2019
Deferred tax assets - net				
Accrued salaries, remuneration and incentives	209,417,432	48,510,869	-	257,928,301
Employee benefits	69,057,750	40,607,750	(73,313,500)	36,352,000
Equipment	(540,019)	(2,610,366)	-	(3,150,385)
Net	**277,935,163**	**86,508,253**	**(73,313,500)**	**291,129,916**

The fiscal losses can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. In 2020 and 2019, no deferred tax was recognized on the accumulated fiscal losses since management believes that it is not probable that taxable profit will be available against which the temporary differences can be utilized.

(Expressed in Rupiah, unless otherwise stated)

11. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

The Company's shareholders and their ownership as of March 31, 2020 and 2019 are as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Intellect Design Arena Pte. Ltd., Singapore	2,490	99.60%	3,010,908,000
Govind Singhal	10	0.40%	12,092,000
Total	**2,500**	**100.00%**	**3,023,000,000**

Additional paid-in capital resulted from the difference in exchange rate stated in the Company's Articles of Association and the actual exchange rate on the date the share capital contribution was paid by the shareholders amounting to Rp 267,844,000 as of March 31, 2020 and 2019.

12. REVENUE

The account consists of:

	2020	2019
Implementation services	4,814,726,044	8,182,635,595
Total	**4,814,726,044**	**8,182,635,595**

13. COST OF REVENUES

The account consists of:

	2020	2019
Implementation	2,782,920,090	7,095,289,269
Total	**2,782,920,090**	**7,095,289,269**

Implementation pertains to services rendered to update and modify the licensed software and tailor to client specification.

(Expressed in Rupiah, unless otherwise stated)

14. OPERATING EXPENSES

This account consists of:

	2020	2019
Rent	666,000,000	666,000,000
Professional fee	319,165,782	488,230,254
Salaries and remuneration	187,656,135	998,930,207
Sales incentive	88,445,684	194,043,475
Communication	59,810,211	35,926,313
Travel and accommodation	51,771,673	69,574,661
Employee benefits (Note 15)	46,563,000	162,431,000
Office maintenance	38,046,309	114,839,288
Insurance – staff	33,860,491	67,421,502
Social security cost	13,858,920	54,981,554
Business promotion	7,715,630	47,458,038
Depreciation of equipment (Note 8)	5,118,800	4,480,286
Staff welfare expense	3,333,278	11,580,826
Others	7,174,993	3,323,160
Total operating expenses	**1,528,520,906**	**2,919,220,564**

The Company leases office space from PT Regus Business Centre Indonesia which is located on the 50th Floor of Menara BCA with rental period from September 1, 2019 to August 31, 2020.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
No later than 1 year	**277,500,000**	**277,500,000**

15. EMPLOYEE BENEFITS

The Company provide long-term employee benefits to its employees in accordance with Labor Law No. 13/2003 dated March 25, 2003. The benefits are unfunded. The following tables summarize the components of net benefits expense recognized in the statement of profit or loss and other comprehensive income and the amounts recognized in the statement of financial position for the employee benefits liability as calculated by an independent actuary, PT Milliman Indonesia, in its report dated May 5, 2020 for the year ended March 31, 2020 and March 28, 2019 for the year ended March 31, 2019.

(Expressed in Rupiah, unless otherwise stated)

15. EMPLOYEE BENEFITS (continued)

The actuarial calculation used the “Projected Unit Credit” method with the following assumptions:

	2020	2019
Discount rate	8.70%	8.75%
Future salary increase	7.00%	7.00%
Mortality rate table	TMI IV 2019	TMI III 2011
Retirement age	55 years old	55 years old
Method	Projected Unit Credit	Projected Unit Credit

a. The details of employee benefits expense recognized in profit or loss is as follows:

	2020	2019
Current service cost	33,840,000	141,714,000
Interest cost	12,723,000	20,717,000
Total (Note 14)	**46,563,000**	**162,431,000**

b. The details of employee benefits liability:

	2020	2019
Present value of benefit obligation	**29,681,000**	**145,408,000**

c. The movement of present value of benefit obligation are as follows:

	2020	2019
Beginning	145,408,000	276,231,000
Current service cost	33,840,000	141,714,000
Interest cost	12,723,000	20,717,000
Remeasurements:		
Effects of changes in demographic assumption	66,000	-
Effects of changes in financial assumption	192,000	(34,386,000)
Effects of experience adjustments	(162,548,000)	(258,868,000)
Total	**29,681,000**	**145,408,000**

d. The maturity of defined benefits obligation is as follows:

	2020	2019
Within the next 12 months	205,000	841,000
Between 2 and 5 years	1,833,000	6,755,000
Between 5 and 10 years	6,122,000	19,340,000
More than 10 years	498,261,000	3,422,329,000

Weighted average duration of the defined benefits obligation at the end of reporting period is 14.1 years in 2020 and 18.3 years in 2019.

(Expressed in Rupiah, unless otherwise stated)

15. EMPLOYEE BENEFITS (continued)

e. As of March 31, 2020, if the discount rate is higher by 1 percent with all other variables held constant, the present value of defined benefits obligation would have been Rp 123,097,000 lower, while if the discount rate is lower by 1 percent, the present value of defined benefits obligation would have been Rp 172,260,000 higher.

The Company's management has reviewed the assumptions used and agreed that these assumptions are adequate. Management believes that the liability for employee benefits is sufficient to cover the Company's employee benefits obligation.

16. BALANCES, NATURE OF TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES

The Company's holding company is Intellect Design Arena, Pte., Ltd. (domiciled in Singapore), which owns 99.60% of the Company's shares. The ultimate parent and controlling party of the Company is Intellect Design Arena Ltd. (domiciled in India).

(a) Significant agreement

On October 1, 2017, the Company entered into an Intercompany Agreement with Intellect Design Arena Ltd., India ("IDA India"), in which the Company agreed to pay IDA India licenses fees equal to 70% of the transaction value generated from the sale or license of the Licensed Product by IDA India and implementation fee equal to 90% of the billing value generated from the end users for the implementation support. Period of this agreement is 3 years effective from effective date and shall be renewed for an additional period of 3 years at the option of the Company. Expenses recognized related to this agreement are presented as part of the Company's cost of revenues amounting to Rp2,782,920,090 (Note 13). Outstanding balance from this transaction is presented in the other payable account.

On April 1, 2019, the Company amended the original Intercompany Agreement with IDA India wherein the implementation fee equal to 90% of billing value is changed. The transfer pricing between the related party is agreed at 3.5% return on income after tax.

(b) Transaction with related parties

In the normal course of business, the Company engaged in transactions with related parties. The Company's transactions with related parties consist of:

	2020	**2019**
Other payables		
Licensing and implementation payable to		
Intellect Design Arena Ltd., India	18,854,014,179	20,288,254,089
Advances from		
Intellect Design Arena Pte. Ltd., Singapore	-	1,443,890,301
Expense paid on behalf by		
Intellect Design Arena Ltd., India	84,048,214	-
Total	**18,938,062,393**	**21,732,144,390**
Percentage to total liabilities	**96.68%**	**96.72%**

(Expressed in Rupiah, unless otherwise stated)

16. BALANCES, NATURE OF TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES (continued)

(c) Nature of relationship and transaction

The following table is a summary of related parties and the nature of their relationship within the Company:

Related party	Nature of Relationship
Intellect Design Arena Pte. Ltd., Singapore	Shareholder
Intellect Design Arena Ltd., India	Ultimate parent

(d) Key management compensation

No compensation was paid to key management for employee services for March 31, 2020 and 2019, respectively.

17. SIGNIFICANT AGREEMENT

In March 2018, the Company entered into a Framework License Agreement with Bank Indonesia ("BI"), wherein the Company agreed to render banking software and related services for BI's financial services sector, production, DRC (Disaster Recovery Centers), training, cold backup and testing. Total contract cost amounted to Rp 58,000,000,000 through PT Metrocom Global Solutions ("Metrocom") as stated in the Letter of Appointment of Implementation Core Banking System between BI and Metrocom dated November 6, 2017 No. 19/133/DPS/Srt/B. In the event the Company is required to step-in place of Metrocom under the terms of the letter, the Company shall invoice BI directly for license fees, customization and implementation of licensed software and maintenance services as payable at the time of such step-in and thereafter for the term of the agreement. This agreement is valid for 2,760 days from November 20, 2017.

In November 17, 2017, Metrocom sub-contracted the original contract to the Company as per purchase order agreement No. MGS/PO/XI-17/540. Scope of work and terms of payment will be the same as the original contract between Metrocom and BI. Total sub-contract cost amounted to Rp 47,692,799.999.

In April 2018, amendment to original contract was agreed as per addendum No. 125.A-Add/MGS-Intellect/Legal/IV/2020. Additional work has been requested by BI through Metrocom and was sub-contracted to the Company with total additional contract cost of Rp 5,622,395,570. The amendment was sub-contracted to the Company for Rp 4,344,987,296.

As of March 31, 2020 and 2019, unbilled receivables related to this agreement amounted to Rp 6,025,893,252 and Rp 15,736,277,228, respectively (Note 6).

(Expressed in Rupiah, unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT

In their daily business activities, the Company is exposed to risks. The main risks faced by the Company arising from their financial instruments are credit risk, market risk (foreign exchange rate risk) and liquidity risk. The core function of the Company's risk management is to identify all key risks for the Company, measure these risks and manage the risk positions in accordance with its policies and Company's risk appetite. The Company regularly reviews their risk management policies and systems to reflect changes in markets, products and best market practice.

(a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's counter party fail to fulfill their contractual obligations to the Company. The Company is exposed to credit risk from cash in bank, unbilled receivables and security deposit. The Company transacts only with highly reputable bank.

The following table provides information regarding the maximum credit risk exposure of the Company as of March 31, 2020 and 2019:

	2020	**2019**
Cash in bank	1,673,073,561	885,467,675
Trade receivables	7,323,597,897	-
Unbilled receivables	6,025,893,252	15,736,277,228
Security deposit	269,486,000	269,486,000
	15,292,050,710	**16,891,230,903**

The above financial assets are neither past due nor impaired.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk, in particular foreign currency exchange risk. Foreign currency exchange risk is the risk that arises from the changes of exchange rate of Rupiah as functional currency against foreign currencies.

The Company's exposure to exchange rate fluctuations arises mainly from cash in bank. The management believes that the effect of a reasonable possible shift in the exchange rate of USD against Rupiah is immaterial.

The Company's significant monetary asset denominated in foreign currency as of March 31, 2020 and March 31, 2019 is presented in Note 19.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due. The management evaluates and monitors cash inflows and cash outflows to ensure the availability of fund to settle the due obligation.

The financial liabilities consist of accrued expenses and other payable due within one year after the reporting period.

(Expressed in Rupiah, unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT (continued)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support their businesses and maximize shareholder value.

The Company manages their capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the periods presented. The Company's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

The table below summarizes the total capital considered by the Company as of March 31, 2020 and 2019:

	2020	2019
Share capital	**3,023,000,000**	**3,023,000,000**

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are the methods and assumptions to estimate the fair value of each class of the Company's financial instruments:

The fair values of cash in bank, unbilled receivables, other payable and accrued expenses approximate their carrying amounts largely due to short-term maturities of these instruments.

Fair value of security deposit is carried at historical cost because their fair value cannot be measured reliably. It is not practical to estimate the fair value of these instruments because there is no time period defined even though payment is not expected to be completed within 12 months after the date of the statement of financial position.

The table below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans and receivable				
Cash in bank	1,673,073,561	1,673,073,561	885,467,675	885,467,675
Trade receivables	7,323,597,897	7,323,597,897	-	-
Unbilled receivables	6,025,893,252	6,025,893,252	15,736,277,228	15,736,277,228
Security deposits	269,486,000	269,486,000	269,486,000	269,486,000
Total financial assets	**15,292,050,710**	**15,292,050,710**	**16,891,230,903**	**16,891,230,903**
Financial liabilities				
Financial liabilities measured at amortized cost				
Other payable - related parties	18,938,062,393	18,938,062,393	21,732,144,390	21,732,144,390
Accrued expenses	614,850,593	614,850,593	586,095,749	586,095,749
Total financial liabilities	**19,552,912,986**	**19,552,912,986**	**22,318,240,139**	**22,318,240,139**

(Expressed in Rupiah, unless otherwise stated)

20. MONETARY ASSET IN FOREIGN CURRENCY

As of March 31, 2020 and 2019, monetary asset in foreign currency is as follows:

	2020		2019	
	Original Currency	Rp Equivalent	Original Currency	Rp Equivalent
ASSET				
Cash on hand and in banks	50.75	817,075	295.72	4,173,877

21. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As shown in the financial statements, the Company incurred negative working captial of Rp 4,129,027,045 and deficits of Rp 6,886,441,875 which resulted to capital deficiency of Rp 3,595,597,875 as of March 31, 2020 These factors, among others, indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Regarding these matters, the Company has an outstanding agreement with Bank Indonesia through PT Metrocom Global Solutions with a total contract cost of Rp 58,000,000,000, which the Company’s management believes to be sufficient to cover the deficit and capital deficiency in the succeeding years. In addition, Intellect Design Arena Ltd., Singapore, the immediate holding company, committed to provide financial support to the Company so as to allow it to meet its maturing obligations as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

22. Economic Environment Uncertainty

On March 11, 2020, the World Health Organization (“WHO”) declared the outbreak of corona virus (“Covid-19”) as a global pandemic. This Covid-19 outbreak has caused global and domestic economic slowdown, which in turn affected the operations of the Company. While disruption is expected to be temporary, there is considerable uncertainty around the extent of the impact of Covid-19 on the Company. The extent of these impact will depend on certain future development which cannot be predicted at this moment, including the duration of the spread of the outbreak, economic and social measures that being taken by the government authorities to handle Covid-19 threat, and the impact of these factor to the Company activities. The management is closely monitoring the Company activities. These Financial Statements do not include any adjustment that might result from the outcome of the aforementioned uncertainty.