

**INTELLECT DESIGN ARENA, INCORPORATED & ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
ACCOUNTANTS' REVIEW REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2020**

INTELLECT DESIGN ARENA, INCORPORATED & ITS SUBSIDIARY

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors  
Intellect Design Arena, Incorporated  
20, Corporate Place South, Piscataway, NJ 08854

We have reviewed the accompanying consolidated financial statements of Intellect Design Arena, Incorporated (a Delaware Corporation) and its subsidiary, which comprise the consolidated balance sheet as of March 31, 2020, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We did not review the financial statements of SEEC Asia Technologies Private Limited, India, a wholly owned subsidiary, which statements reflect total assets and revenues constituting 34% and 4%, respectively, of consolidated totals as of and for the year ended March 31, 2020. These statements were audited by other accountants (from India), whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for SEEC Asia Technologies Private Limited, is based solely on the report of other accountants.

### **Accountant's Conclusion**

Based on our review, and the report of other accountants, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Report on Consolidating and Supplementary Information**

The consolidating information in Schedule 1 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of individual companies, is not a required part of the consolidated financial statements. The supplementary information included in Schedule 2, consolidated schedule of direct cost and, Schedule 3, consolidated schedule of general administrative and marketing expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information and supplementary information is the representation of management. We have reviewed the consolidating information and supplementary information and, based on our review, we are not aware of any material modifications that should be made to the consolidating information and supplementary information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the consolidating information and supplementary information and, accordingly, do not express an opinion on such information.

*Pandya Kapadia Bhatt & Associates*  
**Pandya Kapadia Bhatt & Associates, CPAs**

**South Plainfield, NJ 07080**

Date: May 13, 2020

INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
CONSOLIDATED BALANCE SHEET  
AS OF MARCH 31, 2020

	<u>2020</u>
<b>ASSETS</b>	
Current Assets	
Cash In Bank & Cash Equivalents	\$ 336,126
Accounts Receivable	1,188,526
Revenue in Excess of Billing	7,427,634
Dues Receivable from Related Entities	4,394,750
Prepaid Expenses & Taxes	1,299,645
Other Current Assets	1,495,736
Tax Component on Other Comprehensive Income (Loss)	717,632
TOTAL CURRENT ASSETS	<u>16,860,049</u>
Fixed Assets	
Land	2,905,753
Property, Equipment, Furniture & Fixtures & Leasehold Improvements (net)	746,703
TOTAL FIXED ASSETS	<u>3,652,456</u>
Other Assets	
Investment in Related Entities	250,000
Security Deposits	63,619
Deferred Tax Asset	1,125,962
TOTAL OTHER ASSETS :	<u>1,439,581</u>
TOTAL ASSETS :	<u><u>\$ 21,952,086</u></u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Current Liabilities	
Accounts Payable	\$ 19,596,562
Billing in excess of Revenue	790,852
Accrued Expenses & Taxes	2,773,593
Other Current Liabilities	678,622
TOTAL CURRENT LIABILITIES	<u>23,839,629</u>
Term Liabilities	
Term Loans from Related Entities (excluding current portion)	4,311,969
TOTAL TERM LIABILITIES	<u>4,311,969</u>
TOTAL LIABILITIES	<u>28,151,598</u>
Stockholder's Equity	
Equity	8,005,000
General Reserve	(4,018,650)
Retained Earnings	(9,234,582)
Accumulated Other Comprehensive Income (Loss)(net of tax)	(951,280)
TOTAL STOCKHOLDERS' EQUITY	<u>(6,199,512)</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u><u>\$ 21,952,086</u></u>

See accompanying notes and independent accountants' report.

INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>
INCOME :	
Revenue from operations (net)	\$ 19,405,589
LESS COST OF SALES	
Direct Cost	Schedule 2 7,219,548
GROSS PROFIT (LOSS)	<u>12,186,041</u>
GENERAL ADMINISTRATIVE, MARKETING & OPERATING EXPENSES:	
General Administrative & Marketing Expenses	Schedule 3 11,402,367
Depreciation	115,429
TOTAL	<u>11,517,797</u>
INCOME (LOSS) FROM OPERATIONS	<u>668,245</u>
OTHER INCOME AND EXPENSES	
Interest Income	5,862
Income from Sale of Asset	3,362
Miscellaneous Income	49,487
Provision for Bad Debt	(119,400)
Exchange Transaction Gain (Loss)	(21,536)
Interest Expense	(174,166)
TOTAL OTHER INCOME (EXPENSES)	<u>(256,391)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	411,853
Less :	
Current Tax Expenses (Benefit)	57,399
Deferred Tax Expenses (Benefit)	(1,121,646)
Other Tax Expenses (Benefit)	(109,390)
NET INCOME (LOSS) FOR THE YEAR	<u>1,585,490</u>
OTHER COMPREHENSIVE INCOME (LOSS)	
Foreign Currency Translation Gain (Loss)	(265,010)
OTHER COMPREHENSIVE INCOME (LOSS), BEFORE TAX	<u>(265,010)</u>
INCOME TAX BENEFIT (EXPENSE) RELATED TO ITEMS OF OTHER COMPREHENSIVE INCOME	113,955
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	<u>(151,055)</u>
COMPREHENSIVE INCOME (LOSS)	<u><u>\$ 1,434,435</u></u>

See accompanying notes and independent accountants' report.

INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
FOR THE YEAR ENDED MARCH 31, 2020

	Equity Shares Issued	General Reserve	Retained Earnings	Accumulated Other Comprehensive Income	Total
BALANCE, March 31, 2019	\$ 8,005,000	\$ (4,018,650)	\$ (10,820,072)	\$ (800,225)	\$ (7,633,947)
Stock Capital Infused	-	-	-	-	-
COMPREHENSIVE INCOME					
Net Income			1,585,490		1,585,490
Other Comprehensive Income (Loss), net of tax:					
net of \$ 717,632 income tax (benefit)				(951,280)	
Changes in Translation Gain (Loss) on Consolidation				(151,055)	(151,055)
TOTAL COMPREHENSIVE INCOME					1,434,435
DISTRIBUTION TO STOCKHOLDER					-
BALANCE, March 31, 2020	\$ 8,005,000	\$ (4,018,650)	\$ (9,234,582)	\$ (951,280)	\$ (6,199,512)

See accompanying notes and independent accountants' report.

INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ 1,585,490
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	115,430
Provision for Bad Debts	119,400
Deferred Tax Asset benefit adjustment	(1,121,646)
Writeback of Tax Provision for prior years	(75,120)
Profit on sale of Fixed Asset	(3,362)
Changes In assets and Liabilities :	
(Increase) / Decrease in Assets:	
Accounts Receivable	3,533,159
Prepaid Expenses & Taxes and Other Current Assets	(457,974)
Revenue in Excess of Billing	(5,130,036)
Increase / (Decrease) In Liabilities:	
Accounts Payable	4,724,454
Accrued Expenses & Taxes and Other Current Liabilities	(241,160)
Billing in excess of Revenue	(708,275)
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	<u>2,340,360</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Loans and Advances to Affiliates	(226,535)
Property, Equipment, Furniture & Fixtures	(3,058)
Software Development in Progress	-
Security Deposits	(2,088)
Investments in Subsidiary	-
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	<u>(231,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Equity Capital Contributed	-
Loans & Advances from Affiliates	(2,354,608)
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	<u>(2,354,608)</u>
NET CASH PROVIDED / (USED) DURING THE YEAR	(245,929)
CASH AT BEGINNING OF YEAR	841,624
Effects of Currency Translation on Cash and Cash Equivalents	(259,570)
CASH AT END OF YEAR	<u>\$ 336,126</u>
SUPPLEMENTAL DISCLOSURES	
Interest paid	\$ 174,166
Income taxes paid	\$ 33,284

See accompanying notes and independent accountants' report.  
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INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY – NATURE OF OPERATIONS

Intellect Polaris Incorporated was incorporated as Delaware Corporation on September 24, 2008. As of October 28, 2008, after acquiring 100% stock in SEEC Incorporated, a certificate of merger was filed with Delaware State, to merge Intellect Polaris Incorporated with SEEC Incorporated. Thereafter the merged entity was named as Intellect SEEC Incorporated and as of June 16, 2010, name of the Company has been changed to Polaris Software Lab, Incorporated (the Company), and then, as of December 23, 2014, to Intellect Design Arena, Incorporated, by filing a Certificate of Amendment with the Secretary of State, State of Delaware. Intellect Design Arena Pte Limited, Singapore is holding 100% equity in the Company. Intellect Design Arena Limited, India is holding 100% equity in Intellect Design Arena Pte Limited, Singapore.

Subsequent to the acquisition of SEEC Incorporated, balance sheet of the Company was derived, using purchase method, pursuant to the then *FASB141R*, i.e., when company acquires control of other company, it recognizes all of the assets acquired and all of the liabilities assumed at the acquisition date and measures each asset acquired and each liability assumed at fair value at the acquisition date.

The Company is engaged in developing, marketing, selling and supporting business component and application management software and solutions. The Company derives its revenues from licensing of software products and sale of these products. Its customer base consists primarily of large and medium sized organizations, including corporations, third party information technology service providers, and governmental agencies.

The Company is operating in India, through its wholly owned subsidiary, SEEC Technologies Asia Private Limited, India. It is engaged in the activity of developing, marketing, selling and supporting business component and application management software and solutions, mainly to the group entities. In the year ended March 31, 2020, the entire revenues reported by SEEC Technologies Asia Private Limited were derived from its holding Company, Intellect Design Arena, Incorporated.

BASIS OF PREPARATION & CONSOLIDATION

The accompanying financial statements of the Company and its wholly owned subsidiary, SEEC Technologies Asia Private Ltd, India, were prepared to comply with in all material respects with the mandatory accounting standards issued under generally accepted accounting principles. The Financial statements have been prepared under the historical cost convention on an accrual basis. All amounts are stated in United States dollars. The consolidated financial statements reflect the position of assets, liabilities and stockholder's equity as on March 31, 2020 and the operations for the year then ended, for the Company and its subsidiary. All significant intercompany accounts and transactions between holding company and subsidiary were eliminated in consolidation.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

Adoption of new accounting standards.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014- 09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. ASC 606 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company adopted the new standard effective April 1, 2018, the first day of the Company's fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. The adoption of this ASU did not have a significant impact on the Company's financial statements. The adoption resulted in no change to beginning retained earnings position as of April 1, 2019.

REVENUE RECOGNITION

The Company derives revenues primarily from software development and related services, and from the licensing of software products and related services (together referred to as "software related services") comes primarily from sale of software developed and also from licensing and related services such as annual maintenance, implementation etc. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price, fixed bid or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as revenue accrued not billed. Revenue from fixed-price, fixed-bid contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Company recognizes revenue based on relevant output measures, such as the achievement of any project milestones stipulated in the contract, or internal quality milestones to assess proportional performance. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenue accrued not billed represents earnings on ongoing fixed-price, fixed - bid and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represents amounts billed in case of ongoing fixed bid, fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

In arrangements for software development and related services and maintenance services, the entity has applied the guidance in ASC 606, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the entity has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the entity is unable to determine the standalone selling price, the entity uses the expected cost-plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services. The entity has applied the principles under ASC 606 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. Annual Maintenance Services revenue is recognized ratably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price. The entity presents revenues net of taxes collected from customer, in its statement of Profit and loss.

Certain customer contracts may have variable consideration, including rebates, warranty, guarantees, credits, or other similar items that reduce the transaction price. The Company will generally estimate the variable consideration using the expected value method to predict the amount of consideration to which it will become entitled, based on the circumstances of

**INTELLECT DESIGN ARENA, INCORPORATED**  
**Notes to Consolidated Financial Statements (continued)**

each customer contract and historical evidence. Revenue is recognized net of variable consideration to the extent that it is probable that a significant future reversal will not occur. The Company's estimated amounts of variable consideration are not material and it does not believe that there will be significant changes to its estimates.

Revenue reported includes the revenue reported by the Company's wholly owned subsidiary, SEEC Technologies Asia Private Ltd, and the financial statements of the subsidiary were audited by another auditor, using the same revenue recognition policies as per the company, Intellect Design Arena, Incorporated.

**USE OF ESTIMATES**

Preparation of financial statements in conformity with the generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates and any revision to accounting estimates is recognized in the period in which revisions are made. Estimates are used for but not limited to accounting for allowance for doubtful accounts, useful lives of fixed assets, capitalization of cost, etc.

**CASH & CASH EQUIVALENTS**

The Company considers all highly liquid investments with a remaining maturity at the date of purchase/investment of 3 months or less to be cash equivalents. Cash and Cash equivalents consist of cash, cash on deposit with banks, deposits with corporations, etc.

**ACCOUNTS RECEIVABLE AND ACCOUNTING BAD DEBTS**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of March 31, 2020, as per the assessment of the management, a valuation allowance for uncollectible accounts for an amount of \$ 119,400 was provided (in the previous year ended March 31, 2019, no amount was provided as valuation allowance / written off for the same reason).

The Company's agreements with some of the customers provide for cash discount for early payment of receivables and this discount shall be treated as part of general administrative and marketing expenses. In the current year ended March 31, 2020, the Company allowed cash discounts of \$ 99,332 to its customers. (in the year ended March 31, 2019, the Company did not allow cash discounts to its customers).

**PROPERTY AND EQUIPMENT**

Property and Equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation shall be removed from the respective accounts and the net difference less any amount realized from the disposition, is reflected in earnings. Company is providing for depreciation on property and equipment using straight line method over the estimated useful lives of the respective assets.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

FOREIGN CURRENCY TRANSACTIONS

The functional currency of the Company's subsidiary in India is its local currency, viz., INR. The financial statements of the subsidiary have been translated into U.S. dollars for consolidation. Assets and liabilities on the balance sheets have been translated using the exchange rates in effect at the balance sheet date. Income statement amounts and cash flow statement amounts have been translated using the average exchange rate for the year. Accumulated net translation adjustments have been reported in other comprehensive income in the consolidated financial statements as disclosed in the following disclosure on Other Comprehensive Income.

Foreign currency transaction losses resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currencies of the Company and its subsidiary aggregated, approximately to \$ 21,536 in the year ended March 31, 2020 (in the year ended March 31, 2019, loss of \$ 54,911) and these were included in other expense (as part of other income & expenses) in the accompanying consolidated statement of income and comprehensive income.

OTHER COMPREHENSIVE INCOME (LOSS)

The Company complies with provisions of *FASB ASC 220*, Comprehensive Income, which requires companies to report all changes in equity during a period, except those resulting from investment by owners and distributions to owners, for the period in which they are recognized. Comprehensive Income is the total of net income/loss and all other non-owner changes in equity or other comprehensive income, which include items listed in *FASB-ASC-220-10-45-10A*, such as unrealized gains or losses on securities classified as available-for-sale, foreign currency translation adjustment, minimum pension liability adjustments effective portion of cash flow hedges. Accumulated other comprehensive income/loss must be reported on the face of the financial statements. Other comprehensive income reported by the Company constitutes the foreign currency translation adjustment gain (loss) and the changes were reported as part of consolidated statement of changes in stockholders' equity.

INCOME TAXES

Income taxes are provided in accordance with the asset and liability method as set forth in *FASB ASC 740 Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. Deferred income tax expense (benefit) represents the change during the period in the deferred tax assets and liabilities.

The components of the deferred tax assets and liabilities are individually classified as current and noncurrent based on their characteristics. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

The Company evaluates for uncertain tax positions in accordance with *FASB-ASC-740, Income taxes*. *FASB-ASC-740* prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company classifies interest related to the underpayment of income taxes as a component of interest expense and classifies any related penalties in general and administrative expenses in the Statements of Income. There were no penalties or interest related to income taxes for the years ended March 31, 2020 and 2019.

The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes that are available to offset future taxable income.

The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before March 31, 2017. The Company's tax returns are subject to examination by federal and state taxing authorities. Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, the amounts reported in the accompanying financial statements may be subject to change at a later date upon final determination by respective taxing authority.

GENERAL RESERVE

The excess purchase consideration paid over and above net asset value, as on the date of merger of the Company with SEEC Incorporated (in 2008), was shown as Reserve (negative amount) under Stockholders' Equity in the balance sheet, instead of showing as goodwill on the balance sheet. In accordance with *FASB ASC 350, "Intangibles - Goodwill and Other Intangible Assets"*, goodwill is no longer amortized; instead it is tested for impairment on an annual basis. The Company assesses the impairment of goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors, the Company considers to be important which could trigger an impairment review, include the following:

- Significant underperformance relative to expected historical or projected future operating results,
- Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

As required by *FASB ASC 350*, the impairment test is accomplished using two step approach. The first step screens for impairment and, when impairment is indicated, second step is employed to measure the impairment.

Considering the fact that the amount shown under reserve is in the nature of goodwill, management evaluates this balance by making it subject to impairment test on annual basis, in accordance with *FASB ASC 350*.

Determination of impairment requires the management to make series of critical assumptions to (i) evaluate whether impairment exists and (ii) measures the amount of impairment, in two-step approach, indicated above.

In the current year, the Company reported net income however, its net worth was negative or eroded as of March 31, 2020 and 2019, necessitating evaluation of impairment of goodwill based on two-step approach as required by *FASB ASC 350*. While the management is positive to reporting of net income from the next year onwards, it is also of the view that as the amount has been debited to equity on the balance sheet, as of the date of merger, even 100% impairment may not alter the total equity position on the balance sheet.

SOFTWARE DEVELOPMENT COST

The Company internally develops software that it markets through licensing of software and direct sales as per its agreement with relative customers. Software development costs are expensed as incurred until technological feasibility of the product is established. Development costs incurred subsequent to technological feasibility are capitalized and amortized on a straight-line basis over the estimated economic life of the product. Capitalization of computer software costs is discontinued when the computer software product is available to be sold, leased, or otherwise marketed. Amortization begins when the product is available for release to customers.

ADVERTISING

The Company expenses advertising costs as they are incurred. In the year ended March 31, 2020 & 2019 the Company incurred \$ 0 on advertising.

DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through May 13, 2020, the date on which the financial statements were available to be issued and, expects that, the Company's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Company's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Company's customers and revenue, limitation or unavailability of employee workforce including outside consultants' & Technicians' services used in operations, result in additional direct costs, and a decline in value of assets held by the Company, including property and equipment, and investments.

Loan Received under Paycheck Protection Program: On May 04, 2020, the Company received loan proceeds in the amount of approximately \$ 1,224,860, under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company intends to use the proceeds for purposes consistent with the PPP. The management currently believes that, the company's use of the loan proceeds will meet the conditions for forgiveness of the loan, however, they cannot assure that, they will not take actions that could cause the Company to be ineligible for forgiveness of the loan, in whole or in part.

NOTE 2- GOING CONCERN

As indicated in the accompanying consolidated financial statements, the Company reported a net Income of \$ 1,434,435 during the year ended March 31, 2020 (Net loss of \$ 5,244,432 in the year ended March 31, 2019). As of March 31, 2020, the Company's total liabilities exceeded total assets by \$ 6,199,512 (as of March 31, 2018, \$ 7,633,946). While the above position indicates substantial adverse impact on owner's equity, the management of the Company is positive of ensuring turnaround, with its plan that is being developed at the group level with simultaneously increasing the revenues and profit margins of the Company in the US. During the year ended March 31, 2019 and 2020. Parent company Intellect Design Arena Pte Ltd has extended loan of \$ 1 MM. Further, loans are being arranged through Group entities from Dubai, and Switzerland, with support from the Parent Company of the group Design Arena Limited, India which are for long term, and these constitute 15% or \$ 4.312 MM, of the total liabilities in the consolidated balance sheet of the Company and its subsidiary, as of March 31, 2020 (25% or \$ 6.667 MM, as of March 31, 2019). Management has confirmed that it can ensure satisfaction of the outside liabilities through realization of its assets in normal course of business. The ability of the Company to continue as a going concern on its own, however, is dependent on successful implementation of the management's plan to increase the revenues in next one-year time and thereafter.

NOTE 3 – PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment, and leasehold improvements consist of the following:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Land	\$ 2,905,753	\$ 2,908,738
Building	319,905	327,300
Furniture, Fixtures & Equipment	796,218	847,405
Leasehold improvements	<u>604,687</u>	<u>604,687</u>
Gross	4,626,563	4,688,130
Accumulated depreciation	<u>(974,107)</u>	<u>(921,627)</u>
Net	\$ <u>3,652,456</u>	\$ <u>3,766,503</u>

During the year ended March 31, 2020, there were additions to furniture, fixtures & equipment aggregated to \$ 9,612 (\$ 64,057 in the year ended March 31, 2019), and there was sale of fixtures and equipment aggregated to \$ 3,192. (retirement & disposed of assets aggregated

**INTELLECT DESIGN ARENA, INCORPORATED**  
Notes to Consolidated Financial Statements (continued)

to \$ 527,926 in Leasehold improvements, and \$ 745,182 in Furniture, Fixtures & Equipment on account of assets being fully depreciated, in the year ended March 31, 2019). Property and equipment include land, building, property and equipment reported by the Company's India Subsidiary in Indian Rupees (INR) and upon translation of these assets there has been net adjustment to Property, Equipment and Accumulated Depreciation, aggregating to \$ 8,229 as of March 31, 2020 (\$ 11,215 in the year ended March 31, 2019), which is included in effects of currency adjustments on cash and cash equivalents on the consolidated cash flow statement.

**EFFECT OF CHANGE IN ACCOUNTING ESTIMATES ON FINANCIAL STATEMENTS:**

Accounting principles generally accepted in the United States of America requires that the depreciation on property and equipment be provided using straight-line method over the estimated useful lives of the respective assets. In the year ended March 31, 2015, the management has effected change in depreciation method from US GAAP to Indian GAAP, i.e., changed the estimated lives of individual asset groups to estimated lives prescribed as per the Companies Act 2013 (of India). Effect of adopting this method retrospectively, resulted in decrease in accumulated depreciation (and increase in equity reported on the consolidate balance sheet) as of March 31, 2020 by \$ 2,670 (\$ 2,526 as of March 31, 2019). And in the year ended March 31, 2020, the depreciation as per the revised method was lower by \$ 407 (\$ 453 in the year ended March 31, 2019), vis a vis US GAAP.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The related party transactions, as of March 31, 2020, are summarized as under:

<u>Related Party</u>	<u>Nature of Relation</u>	<u>Transaction Type</u>	<u>Amount</u>
Intellect Design Arena S.A. Switzerland	Subsidiary of the Holding Company	Loan from Group Entities	\$ 624,731
		Interest Expense	43,844
Intellect Design Arena Limited, UK	Subsidiary of the Holding Company	Dues Receivable- Current Account	1,203,127
		Interest Expense	31,530
		Accounts Payable	997,044
Intellect Design Arena FZ, LLC, Dubai	Subsidiary of the Holding Company	Loan from Group Entities	2,225,000
		Interest Expense	72,445
Intellect Singapore Pte. Ltd	Holding Company	Loan from Holding Company	1,000,000
		Interest Expense	20,041
Intellect Design Arena Limited, India	Parent Company of the Holding Company	Direct Cost (Consulting Charges)	5,964,493
		Dues Receivable & Revenue Excess of Billing	6,382,767
		Revenue from Operations	3,191,144
		Accounts Payable	17,501,071
Intellect Design Arena Inc., Canada	Subsidiary of the Holding Company	Loan from Group Entity	462,237
		Interest Expense	6,306
Intellect Polaris Design LLC	Group Entity	Investment in Membership Interest	250,000
		Rent Expense	170,000
		Management Fee Received	10,800
Gamma Process Hub India Limited	Group Entity	Advances (Other Current Assets)	100,409
		Other Income (Rental Income)	\$ 49,487

**INTELLECT DESIGN ARENA, INCORPORATED**  
**Notes to Consolidated Financial Statements (continued)**

**LOAN OUTSTANDING:** The Company has availed loans from group entities operating from Canada, Switzerland, Dubai and holding company (listed above) as of March 31, 2020 aggregate outstanding of these Loans was \$ 4.312 MM (\$ 6.667 MM as of March 31, 2019). The Company has paid Interest aggregating to \$ 174,166 in 2020 (\$ 251,353 in 2019) towards interest charged on these loans. The loans from, holding company and entity operating from Dubai, carry interest at 3.25% p.a. and, Swiss entity carry interest @ 4% p.a. with repayment schedule and other terms as per the respective Loan Agreements signed with these entities. These Loans are provided to meet long term needs of the Company. Loan availed from Swiss entity is backed by comfort letter from Intellect Design Arena Limited, India. Based on market rates for similar loans, at March 31, 2020 and 2019, the fair value of the notes approximates its carrying amount.

**NOTE 5—FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENTS**

Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (FASB ASC 825-10), requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial condition.

In cases where quoted market prices are not available, fair values are based on estimates using the present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of instruments. Certain financial and nonfinancial instruments are excluded from these disclosure requirements. Accordingly, the aggregate fair value amounts do not represent the underlying value of the Company.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

**Cash and cash equivalents:** The carrying amounts reported in the statements of financial condition for cash & cash equivalents approximate those assets fair values.

**Investments in Securities:** The Company has no investments held for sale / held to maturity, investment in fixed rate instruments / loans etc., on its statements of financial condition as of March 31, 2020 and 2019.

**Accrued expenses:** Carrying amounts of accrued expenses approximate the fair values.

**Other current assets:** These represent amounts receivable with no significant change in credit risk, and fair values are based on carrying amounts.

**Current liabilities:** Carrying amount of these liabilities approximates their fair values.

The carrying amounts of the above classes of financial instruments are included in the statement of financial condition under appropriate classes of assets and liabilities. No derivatives were held by the Company for trading purposes.

The Revenues of the company fall within the category of software consultancy services.

**Concentration of Credit Risk and Customers:**

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of accounts receivable. The Company grants credit to customers on a

**INTELLECT DESIGN ARENA, INCORPORATED**  
**Notes to Consolidated Financial Statements (continued)**

regular basis. As on March 31, 2020, amounts due from top five customers aggregated to \$ 4.351 MM, representing 82% of the total accounts receivable & revenue accrued but not billed. (\$ 5.682 MM and 81% in 2018-19). In the year ended March 31, 2020, aggregate revenues from the afore-stated five customers accounted for 67% (74% in March 31, 2020) of total revenues. Customer accounts are typically collected within a short period of time and, based on its assessment of current conditions; management believes that the outstanding balances in accounts receivable as at the end of March 31, 2020 are good and uncollectible balances, if any, as of that date will be immaterial and therefore, customer accounts were reported at the amount of principal outstanding.

**Concentration of Credit Risk from Cash Deposits in Excess of Insured Limits:**

The Company maintains its cash balances with Banks in its operating accounts and the balances are insured by the Federal Deposit Insurance Corporation. As of the Balance sheet date, and periodically throughout the year, the company has maintained balances in these accounts, in excess of federally insured limits.

**NOTE 6 – INVESTMENT IN GROUP ENTITY**

In October 2014, the Company has made investment of \$ 250,000 by way of 5% Membership Interests in Intellect Polaris Design, LLC. Intellect Polaris Design, LLC was formed on July 23, 2014 to acquire 75,000 sq. ft. space in an office complex located in Piscataway, New Jersey. As of March 31, 2020, and 2019, the LLC has three members as follows:

Member	Membership Interests (%)
Polaris Consulting & Services Limited, India	50
Intellect Design Arena Limited, India	45
Intellect Design Arena, Incorporated, US (The Company)	5

As the investment held has been valued at original value and the management is of the view that based on market valuation for the property at March 31, 2020; fair value of the investment approximates its carrying amount.

**NOTE 7 – COMMITMENTS & CONTINGENCIES**

**Leases:** The Company leased its office buildings in Piscataway (NJ) and New York. The lease terms for these office premises are longer than one year term. The company is responsible for future lease payment obligation up to the date of next renewal, on leases that are in force and renewable in future, are as under:

<u>Property leased</u>	<u>Leased from</u>	<u>Leased up to</u>	<u>Future lease</u>
Piscataway, NJ Office	04/01/16	03/31/26	\$ 1,034,191
New York Office	11/01/17	10/31/20	53,235

Future lease payment obligations aggregate to \$ 1,087,426 and of this, \$ 223,239 would be due in the year 2020-21. Rent expense of \$ 255,499 in the current year (\$ 251,684 reported in the year ended March 31, 2019), comprises of rent paid for various office premises rented by the Company, including the above.

**Litigations:** The Company is involved in litigation arising in the ordinary course of business. As of March 31, 2020, there were two open legal cases. In one of the case, the Company had filed legal case against one of its competitors for defamation, unfair competition, and violation

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

under NJ Consumer Fraud Act, in which Company has claimed \$ 5.00MM in damages, from the said Competitor, and in the other case, one of the vendor has filed legal case against the Company, relating breach in software license and services agreements ("SLSA") and claimed \$ 2.46MM from the Company for early termination of the contract, for which the Company had counter claimed for breach in amended SLSA and claimed \$5.4815 MM in damages equivalent to the value of contracts, from the said vendor. While the ultimate outcome of these matters is not presently determinable, the Management has not provided for any provisions for any contingent liability, in the financial statements of the Company and its subsidiary as of March 31, 2020.

**NOTE 8—INCOME TAXES**

The Company reports corporate tax returns on accrual method of accounting, deferred taxes are recorded on the deferred income as reported on the financial statement as well as on corporate tax returns using timing difference and certain items, such as depreciation, amortization and investments as per equity method of reporting, for the tax purposes in the year other than the years they are reported on financial statement. Income taxes are provided in accordance with the asset and liability method as set forth in *Accounting Standards Codification 740 (ASC 740, previously known as SFAS 109), Accounting for Income Taxes*. The current charges for the income taxes are calculated in accordance with relevant Federal and State tax regulations applicable to the Company.

As of March 31, 2020, the Company has recognized deferred tax assets aggregating to \$ 2,804,114, related to net operating losses (NOL) carryforward (NOL of \$ 17,150,481 as of March 31, 2019) that can be used to offset taxable income in future periods and reduce the company's income tax payable in those future periods. The Management considers it more likely than not that the company will have sufficient taxable income in future that will allow it to realize these entire deferred tax assets, and provided for valuation allowances of aggregating \$ 1,682,468 towards 60% of deferred tax assets as of March 31, 2020. Deferred tax asset of \$ 1,125,962 reported in consolidated balance sheet, were net of valuation allowances and includes \$ 4,316 on account of Indian Subsidiary. Prepaid Taxes as of March 31, 2020, \$ 236,098 (\$ 222,463 reported as of March 31, 2019) represents advance tax (net of provision for tax) paid by the Indian Subsidiary, in India.

Current Tax expenses of \$ 57,399 reported in consolidated income statement represents, Corporate tax expense of \$ 26,190 being tax expense for the Company towards various State Income Taxes paid and including provision for federal tax for the current year and, \$ 31,209 being amount reported by the Indian subsidiary. Other Tax benefit of \$ 109,390, represents the writeback of excess tax provision aggregating to \$ 75,120, pertaining to prior years and \$ 34,270 towards refund of alternate minimum tax credit received during the year. Deferred Tax benefit of \$ 1,121,646 relates to deferred tax asset recognized net of valuation allowances on this deferred tax asset.

The income tax provision (benefit) differs from the expense that would result from applying federal statutory rates to income before income taxes because certain expenses are not deductible for tax purposes.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

NOTE 9- CONSOLIDATED SUBSIDIARIES / OTHER COMPREHENSIVE INCOME

As of March 31, 2020, and 2019, the Company has a wholly owned subsidiary viz., SEEC Technologies Asia Private Ltd, India (subsidiary). Balance Sheet of the subsidiary, as at March 31, 2020 and the Income Statement for the year then ended, were audited by other Auditors in India. For presenting the consolidated financial statements of the Company and its subsidiary, financials of the subsidiary (duly translated to \$) provided by the Company management were included on "as is" basis.

The Financial Statements of the subsidiary were denominated in Indian Rupees and translated into \$ for consolidation. Such translation of Income for the current year and Assets and Liabilities (excluding outstanding in the nature of long term investments of the holding company in the subsidiary), in terms of *Accounting Standards Codification 830 (FASB ASC 830, previously known as FASB 52)*, Foreign Currency Translation, as of March 31, 2020, has resulted in aggregate translation loss of \$ 1,668,912 (\$ 1,403,902, as of March 31, 2019). Accumulated Other Comprehensive Income (Loss) as on March 31, 2020 stands at (\$ 951,280) [(\$ 800,224) as of March 31, 2019], net of tax component (benefit) \$ 717,632, as of March 31, 2020 (benefit, \$ 603,678 as of March 31, 2019).

Accumulated Other Comprehensive Income (Loss) and Tax Component on Other Comprehensive Income as of March 31, 2020 were reported under the Stockholders' Equity and Current Assets of the balance sheet, respectively. The effects of Currency Translation on Cash and Cash equivalents (i.e., reduction in cash by \$ 256,569) has been shown as adjustment to arrive at the Cash at end of year, on the Cash Flow Statement to arrive at cash at end of year. Changes in Accumulated Other Comprehensive Income (net of tax) during the year have been shown as part of Changes in Stockholders' Equity.

NOTE 10- DUES RECEIVABLE FROM RELATED ENTITIES

As of March 31, 2020, the company, and its subsidiary, has reported \$ 4,394,750 (\$ 3,158,430 as of March 31, 2019) due from another group entities operating in UK and India. Management confirmed that the said amount due as of March 31, 2020 represented operational dues relating to cost debits, payments against transfers, which are recoverable in next one-year period.

NOTE 11- RECENT ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASI No 2016-02, which introduces a lessee model that brings substantially all leases into the balance sheet. Under the new standard, a lessee will recognize on its balance sheet a lease liability and a right of use of all assets for all leases, including operating leases, with a greater term than 12 months. The new standard will also distinguish leases as either finance leases or operating leases. This distinction will affect how leases are measured and presented in the income statement and statement of cash flows. ASU No. 2016-02 is effective for annual and interim periods in fiscal year beginning after December 15, 2019. Management is still accessing the potential impact that ASU No 2016-02 will have on its financial statements and related disclosures.

INTELLECT DESIGN ARENA, INCORPORATED  
Notes to Consolidated Financial Statements (continued)

NOTE 12- OTHER CURRENT ASSETS

Other Current Assets consists of the following, which are recoverable in next one-year period:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Employee Advances	\$ 9,964	\$ 4,315
Other Advances	452,670	68,389
Prepaid Government dues	<u>1,033,102</u>	<u>1,107,407</u>
Total	\$ <u>1,495,736</u>	\$ <u>1,177,129</u>

NOTE 13- OTHER CURRENT LIABILITIES:

Other Current Liabilities consists of the following, which are payable in next one-year period:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Advances Received	\$ 55,075	\$ -
Advances from Customers	94,530	15,125
Employee Related Payables	399,031	439,414
Payroll Withholding Payables	91,264	67,672
Other Current Liabilities	<u>38,722</u>	<u>208,181</u>
Total	\$ <u>678,622</u>	\$ <u>730,292</u>

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**SCHEDULE 1 CONSOLIDATING INFORMATION AND  
SCHEDULES 2 & 3 SUPPLEMENTARY INFORMATION**

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INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
SCHEDULE I TO THE CONSOLIDATED FINANCIAL STATEMENTS  
CONSOLIDATING INFORMATION - CONSOLIDATING BALANCE SHEET  
AS OF MARCH 31, 2020

	Intellect Design Arena, Incorporated	India Subsidiary Audited	Consolidating Entries	Consolidated Totals
<b>ASSETS</b>				
Current Assets:				
Cash In Bank & Cash Equivalents	\$ 316,234	\$ 19,892		\$ 336,126
Accounts Receivable (net)	1,016,464	1,007,848	(835,786)	1,188,526
Revenue in Excess of Billing	7,427,634	-		7,427,634
Dues Receivable from Related Entities	4,097,030	297,720		4,394,750
Prepaid Expenses & Taxes	533,655	765,990		1,299,645
Other Current Assets	12,275	1,483,461		1,495,736
Tax on Other Comprehensive Income (Loss)	-	717,632		717,632
<b>TOTAL CURRENT ASSETS:</b>	<b>13,403,292</b>	<b>4,292,543</b>	<b>(835,786)</b>	<b>16,860,049</b>
Property & Equipment:				
Land		2,905,753	-	2,905,753
Property, Equipment, Furniture & Fixtures (net)	454,473	292,230	-	746,703
<b>TOTAL PROPERTY &amp; EQUIPMENT:</b>	<b>454,473</b>	<b>3,197,983</b>	<b>-</b>	<b>3,652,456</b>
Other Assets :				
Investments in Subsidiary	7,663,380		(7,663,380)	-
Investment in Related Entities	250,000			250,000
Security Deposits	26,842	36,777		63,619
Deferred Tax Asset	1,121,646	4,316		1,125,962
<b>TOTAL OTHER ASSETS :</b>	<b>9,061,868</b>	<b>41,093</b>	<b>(7,663,380)</b>	<b>1,439,581</b>
<b>TOTAL ASSETS :</b>	<b>\$ 22,919,633</b>	<b>\$ 7,531,619</b>	<b>\$ (8,499,166)</b>	<b>\$ 21,952,086</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY :</b>				
Current Liabilities:				
Accounts Payable	\$ 20,390,372	\$ 41,976	\$ (835,786)	\$ 19,596,562
Billing in excess of Revenue	790,852	-		790,852
Accrued Expenses & Taxes	2,068,346	705,247		2,773,593
Other Current Liabilities	606,326	72,296		678,622
<b>TOTAL CURRENT LIABILITIES:</b>	<b>23,855,896</b>	<b>819,519</b>	<b>(835,786)</b>	<b>23,839,629</b>
Term Liabilities				
Term Loan from Group Entity (Excluding Current)				
Term Loan	4,311,969	-		4,311,969
<b>TOTAL TERM LIABILITIES</b>	<b>4,311,969</b>	<b>-</b>	<b>-</b>	<b>4,311,969</b>
<b>TOTAL LIABILITIES:</b>	<b>28,167,865</b>	<b>819,519</b>	<b>(835,786)</b>	<b>28,151,598</b>
Stockholders' Equity:				
Stock Capital	8,005,000	6,984,155	(6,984,155)	8,005,000
General Reserve	(4,018,650)			(4,018,650)
Retained Earnings	(9,234,582)	679,225	(679,225)	(9,234,582)
Accumulated Other Comprehensive Income		(951,280)		(951,280)
<b>TOTAL STOCKHOLDERS' EQUITY:</b>	<b>(5,248,232)</b>	<b>6,712,100</b>	<b>(7,663,380)</b>	<b>(6,199,512)</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY:</b>	<b>\$ 22,919,633</b>	<b>\$ 7,531,619</b>	<b>\$ (8,499,166)</b>	<b>\$ 21,952,086</b>

See independent accountants' report.



INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
SCHEDULE I TO THE CONSOLIDATED FINANCIAL STATEMENTS  
CONSOLIDATING INFORMATION - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2020

	Intellect Design Arena, Incorporated	India Subsidiary Audited	Consolidating Entries	Consolidated Totals
REVENUES				
Revenue from Operations (Net)	\$ 19,405,589	\$ 709,957	\$ (709,957)	\$ 19,405,589
LESS COST OF SALES				
Direct Cost	7,457,383	472,122	(709,957)	7,219,548
	7,457,383	472,122	(709,957)	7,219,548
GROSS PROFIT	11,948,206	237,835	-	12,186,041
EXPENSES				
Operating Expenses	11,004,988	397,379	-	11,402,367
Depreciation	96,919	18,510	-	115,429
TOTAL	11,101,907	415,889	-	11,517,796
INCOME FROM OPERATIONS	846,299	(178,054)	-	668,245
OTHER INCOME AND EXPENSES				
Interest Income	5,754	108	-	5,862
Income from Sale of Asset	-	3,362	-	3,362
Miscellaneous Income	-	49,487	-	49,487
Provision for Bad Debt	(119,400)	-	-	(119,400)
Exchange Transaction Gain (Loss)	(91,641)	70,105	-	(21,536)
Income (Loss) from Investment in Subsidiary	(86,202)	-	86,202	-
Interest Expense	(174,166)	-	-	(174,166)
TOTAL OTHER INCOME (EXPENSES)	(465,655)	123,062	86,202	(256,391)
NET INCOME BEFORE INCOME TAXES	380,644	(54,993)	86,202	411,853
Less :				
Current Tax Expenses (Benefit)	26,190	31,209	-	57,399
Deferred Tax Expenses (Benefit)	(1,121,646)	-	-	(1,121,646)
Other Tax Expenses (Benefit)	(109,390)	-	-	(109,390)
NET INCOME	1,585,490	(86,202)	86,202	1,585,490
OTHER COMPREHENSIVE INCOME				
Foreign Currency Translation Adjustments	-	(265,010)	-	(265,010)
Other Comprehensive Income, before Tax	-	(265,010)	-	(265,010)
Income Tax Benefit (Expense) Related to Items of Other Comprehensive Income	-	113,955	-	113,955
Other Comprehensive Income (Loss), Net of Tax	-	(151,055)	-	(151,055)
COMPREHENSIVE INCOME (LOSS)	\$ 1,585,490	\$ (237,257)	\$ 86,202	\$ 1,434,435

See independent accountants' report.

INTELLECT DESIGN ARENA INCORPORATED, USA & ITS SUBSIDIARY  
SUPPLEMENTARY INFORMATION  
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020

SCHEDULE 2 - DIRECT COST

Consulting / Outsourcing Expense	\$ 5,964,493
Software Development Charges	79,347
Salary & Wages	664,225
Payroll Taxes	43,463
Employee Benefits	11,582
Professional Charges	159,331
Health Insurance	74,718
Travel	24,623
Recruitment Expenses	24,800
Staff Welfare & Employee Benefits	3,951
Visa Expenses	21,253
Telephone & Internet Expenses	147,762
<b>TOTAL DIRECT COST</b>	<b>\$ 7,219,548</b>

SCHEDULE 3 - GENERAL ADMINISTRATIVE & MARKETING EXPENSES

Audit fees	\$ 33,258
Administrative charges for PF	305
Bank Service Charges	5,344
Business Promotion	560,037
Software Development Charges (Indirect)	311,590
Cash Discount	99,332
Computer Consumables	145
Employee Benefits	205,979
Health Insurance	431,311
Insurance	56,730
Meals & Entertainment	89,425
Membership & Subscriptions	641,706
Office Expenses & Maintenance	4,369
Officers' Salary	897,470
Payroll Expenses	5,280
Payroll Taxes (Administration)	254,874
Postage & Courier	9,692
Power & Fuel	258,556
Printing & Stationery	1,583
Rates & Taxes	16,256
Rent	255,499
Repairs and maintenance	1,587
Salary & Wages (Administration)	6,052,265
Security Services	41
Staff Welfare (Administration)	37,521
Telephone & Internet (Administration)	38,179
Travel Expense (Administration)	1,126,131
Training Expenses	2,590
Visa Expenses	5,313
<b>TOTAL GENERAL, ADMINISTRATIVE &amp; MARKETING EXPENSES</b>	<b>\$ 11,402,367</b>

See independent accountants' report.