



Report of the auditors of Intellect Design Arena PTY Ltd, Australia to M S K C & Associates Chartered Accountants of INTELLECT DESIGN ARENA LIMITED

INDEPENDENT AUDITOR'S REPORT

To Intellect Design Arena PTY Ltd, Australia

Opinion

We have audited the statement of quarterly and year to date financial results of the Company for the quarter ended **March 31, 2025** and year ended March 31, 2025 of **Intellect Design Arena PTY Ltd, Australia** (the Company). The financial results include the results for the quarter ended March 31, 2025 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2025 and the unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial results give a true and fair view of its results of operations for the year and quarter then ended in accordance with the accounting policies adopted by **Intellect Design Arena Limited** hereinafter referred to as **"the group accounting policies"**.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

We draw attention to Note 1 to the financial results, which describes the basis of accounting. The financial results are prepared to assist the statutory auditors of **Intellect Design Arena Limited** ("the Holding Company") for the purpose of expressing an opinion on the consolidated financial results of the Holding Company.

Other Matter

The Company will prepare a separate set of financial statements for the year ended March 31, 2025 in accordance with the *Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board* on which a separate auditor's report was issued by *M/s SDJ Audit Pty Ltd* to the members of the Company.

Management's Responsibility for the Financial Results

The management of the Company is responsible for the preparation and presentation of the financial results that give a true and fair view of the results of operations of the Company in accordance with the group accounting policies; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Company's financial reporting process.





Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

For CHAKRALA AND ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 012657S



Murali Krishna Chakrala
Proprietor
Membership Number: 210566
UDIN: 25210566BMLJL9353

Place: Chennai
Date: 08.05.2025

Intellect Design Arena PTY Ltd, Australia
Balance Sheet as of March 31, 2025
(All amounts are in Rupees in INR unless otherwise stated)

Particulars	Note	Mar 31, 2025	Mar 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	97,799	32,064
Right-of-use-assets	4	1,472,502	6,002,667
Financial assets			
- Loans and deposits	5	1,057,474	803,642
CURRENT ASSETS			
Financial asset			
- Trade receivables	6	23,951,899	137,436,292
- Cash and Cash equivalents	7	154,471,299	220,725,083
- Other financial assets	8	98,737,438	189,033,736
Other current assets	9	55,669,888	112,247,995
TOTAL		335,458,298	666,281,479
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Equity Share Capital	10	5,098,000	5,098,000
Other Equity		164,637,402	137,064,729
Total Equity		169,735,402	142,162,729
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Lease Liability		1,587,936	6,179,064
Deferred Tax Liabilities (Net)	11	10,177,732	7,700,503
CURRENT LIABILITIES			
Financial Liabilities			
- Trade payables	12		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12	24,125,139	364,573,862
- Other financial liabilities	13	8,192,615	12,486,200
Other current liabilities	14	87,608,118	93,626,098
Provisions	15	10,000,767	13,760,080
Current Tax liabilities (Net)	16	24,030,591	25,792,942
TOTAL		335,458,298	666,281,479

The accompanying notes are an integral part of the financial statements

As per our report of even date

For CHAKRALA AND ASSOCIATES

Chartered Accountants

ICAI Firm Regn No: 012657S

Murali Krishna Chakrala

Murali Krishna Chakrala
Proprietor
Membership No : 210566

Place: Chennai
Date: 08.05.2025



Profit and Loss Account for the period ended March 31, 2025

(All amounts are in Rupees in INR unless otherwise stated)

Particulars	Note	Mar 31, 2025	Mar 31, 2024
INCOME			
Revenue from operations	18	384,140,688	628,170,535
Other Income	19	7,802,023	3,797,729
TOTAL INCOME		391,942,710	631,968,264
Expenses			
Employee benefit expenses	20	54,982,174	40,529,701
Depreciation and amortization expenses	3	4,682,062	4,491,976
Finance costs	22	196,871	265,856
Other expenses	21	289,662,536	512,236,627
Total Expenses		349,523,642	557,524,160
Profit before exceptional and extraordinary items and tax		42,419,068	74,444,104
Exceptional Items		-	-
Profit before extraordinary items and tax		42,419,068	74,444,104
Extraordinary Items		-	-
PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURE AND TAX		42,419,068	74,444,104
Share of profit of Associates and Joint venture		-	-
PROFIT / (LOSS) BEFORE TAX		42,419,068	74,444,104
TAX EXPENSES			
Income taxes - Current tax		27,062,831	22,790,150
- Deferred tax		(14,614,361)	3,146,886
PROFIT FOR THE YEAR		29,970,599	48,507,069
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(2,397,926)	(1,927,428)
Other Comprehensive Income for the year, net of tax		(2,397,926)	(1,927,428)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		27,572,673	46,579,641

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **CHAKRALA AND ASSOCIATES**Chartered Accountants
ICAI Firm Regn No: 012657S

Murali Krishna Chakrala
Proprietor
Membership No : 210566Place: Chennai
Date: 08.05.2025

Intellect Design Arena PTY Ltd, Australia
 Statement of Changes in Equity for the year ended March 31, 2025

Intellect Australia

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	
As at 1st April 2024	126,108,174	10,956,555	137,064,729
Profit / (Loss) for the year	29,970,599		29,970,599
Movement in Foreign Currency Translation Reserve (FCTR) through OCI		(2,397,926)	(2,397,926)
As at Mar 31, 2025	156,078,773	8,558,629	164,637,402



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Intellect Design Arena PTY Ltd, Australia
 Statement of Changes in Equity for the year ended March 31, 2025

Intellect Australia

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	
As at 1st April 2023	72,064,087	12,883,983	84,948,070
Profit / (Loss) for the year	54,044,087		54,044,087
Movement in Foreign Currency Translation Reserve (FCTR) through OCI		(1,927,428)	(1,927,428)
As at Mar 31, 2024	126,108,174	10,956,555	137,064,729



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1 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Share-based payments

The Company initially measures the cost of Equity-settled transactions with employees using a black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

2 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained Earnings	Net movement on cash flow hedges	Total
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During the year ended Mar 31, 2025

Re-measurement gains (losses) on defined benefit plans	-	-	-
Currency forward contracts	-	-	-

During the year ended Mar 31, 2024

Re-measurement gains (losses) on defined benefit plans	-	-	-
Currency forward contracts	-	-	-



Intellect Design Arena PTY Ltd, Australia
Notes to the Financial Statements for the year ended March 31, 2025

3
Plant property and equipment

Intellectt Australia

Particulars	Plant & Machinery	Furniture and Fittings	Office Equipment	Total
Gross block				
As at April 1, 2024	242,044	83,674	55,896	381,613
Additions	144,245	-	-	144,245
Translation Difference	(5,734)	(464)	(310)	(6,508)
Deletions	-	-	-	-
As at Mar 31, 2025	380,554	83,210	55,586	519,350
Depreciation				
As at April 1, 2024	238,563	55,093	55,893	349,550
For the year	67,175	8,526	-	75,701
Translation Difference	(2,881)	(508)	(310)	(3,699)
Deletions	-	-	-	-
As at Mar 31, 2025	302,857	63,111	55,583	421,551
Net book value				
As at Mar 31, 2025	77,697	20,099	3	97,799
As at Mar 31, 2024	3,480	28,581	3	32,064



Intellect Design Arena PTY Ltd, Australia

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Right of use asset

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Particulars	Right of use asset
Gross Block	
As at April 1, 2024	9,043,911
Additions	-
Translation Difference	(50,142)
Deletions	
As at Mar 31, 2025	8,993,769
Right of use asset -Accumulated Depreciation	
As at April 1, 2024	3,041,244
Depreciation charge for the year	4,606,361
Translation Difference	(126,338)
Disposals	
As at Mar 31, 2025	7,521,267
Net Block	
As at Mar 31, 2025	1,472,502
As at Mar 31, 2024	6,002,667



Intellect Design Arena PTY Ltd, Australia
Notes to the Financial Statements for the year ended March 31, 2025
(All amounts are in Rupees in INR unless otherwise stated)

	Particulars	Mar 31, 2025	Mar 31, 2024
5	Loans and deposits, carried at amortized cost		
	- Security Deposits	1,057,474	803,642
	Total	<u>1,057,474</u>	<u>803,642</u>
6	Trade receivables		
	Trade receivables	23,951,899	137,436,292
	Total	<u>23,951,899</u>	<u>137,436,292</u>
7	Cash and cash equivalent carried at amortized cost		
	Balance with banks		
	- On Current accounts	154,471,299	220,725,083
	Total	<u>154,471,299</u>	<u>220,725,083</u>
8	Other financial assets carried at amortized cost		
	Revenues accrued and not billed	98,737,438	189,033,736
	Customer receivables	(0)	-
	Total	<u>98,737,438</u>	<u>189,033,736</u>
9	OTHER CURRENT ASSETS		
	Unsecured, considered good		
	Advances to related parties	54,498,775	111,706,977
	Prepayments and other recoveries	1,171,113	541,018
	Total	<u>55,669,888</u>	<u>112,247,995</u>
10	SHARE CAPITAL		
	Issued, Subscribed and Paid up	5,098,000	5,098,000
	Total	<u>5,098,000</u>	<u>5,098,000</u>
11	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liability	10,177,732	7,700,503
	Total	<u>10,177,732</u>	<u>7,700,503</u>
12	Trade payable		
	MSME creditors		
	Other than MSME	24,125,139	364,573,862
	Total	<u>24,125,139</u>	<u>364,573,862</u>
13	Other financial liabilities carried at amortized cost		
	Employee benefit payable	7,000,818	11,486,392
	Super Annuation Payable	1,191,797	999,807
	Total	<u>8,192,615</u>	<u>12,486,200</u>
14	OTHER CURRENT LIABILITIES		
	Customer and other advance received	-	44,302,595
	Billings in excess of revenues	84,355,705	45,468,203
	Statutory dues	3,252,413	3,855,300
	Total	<u>87,608,118</u>	<u>93,626,098</u>
15	CURRENT PROVISIONS		
	Provision for employee benefits:		
	- Provision for leave benefits	10,000,767	13,760,080
	Total	<u>10,000,767</u>	<u>13,760,080</u>
16	CURRENT TAX LIABILITIES (NET)		
	Current Tax Liabilities	24,030,591	25,792,942
	Total	<u>24,030,591</u>	<u>25,792,942</u>
17	NON-CURRENT LIABILITIES		
	- Lease Liability	1,587,936	6,179,064
		<u>1,587,936</u>	<u>6,179,064</u>



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Intellect Design Arena PTY Ltd, Australia
Notes to the Profit and Loss account for the period ended Mar 31, 2025
(All amounts are in Rupees in INR unless otherwise stated)

Particulars	Mar 31, 2025	Mar 31, 2024
18 INCOME FROM SOFTWARE SERVICES AND PRODUCTS		
Revenue from operations	384,140,688	628,170,535
Total	<u>384,140,688</u>	<u>628,170,535</u>
19 OTHER INCOME		
Interest Income:		
Interest on others	1,269,564	2,032,477
Interest From Other Financial Assets	5,770,014	-
Net gain on foreign currency transaction and translation	762,444	1,765,252
	<u>7,802,023</u>	<u>3,797,729</u>
20 EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus	50,105,169	39,124,688
Contribution to:		
Provident fund	409,461	335,969
Social security and other benefit plans for overseas employees	4,355,254	1,009,966
Staff welfare expenses	112,290	59,078
	<u>54,982,174</u>	<u>40,529,701</u>
21 OTHER EXPENSES		
Cost of software packages, consumable and maintenance	3,737,043	538,421
Cost of technical sub-contractors	276,081,947	506,040,011
Travelling expenses	2,548,811	1,865,849
Communication expenses	206,635	131,483
Professional and Legal charges	4,104,301	3,112,166
Rent	1,151,771	11,752
Repairs - Plant and machinery	26,975	-
Business promotion	1,079,144	43,866
Office maintenance	36,385	19,175
Insurance	79,280	90,024
Payment to the auditors:		
Printing and stationery	111,267	10,052
Rates and taxes excluding Taxes on Income	-	(0)
Bank charges & commission	498,979	373,829
	<u>289,662,536</u>	<u>512,236,627</u>
22 FINANCE COST		
Interest Expenses	196,871	265,856
	<u>196,871</u>	<u>265,856</u>



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23 Related Party Transactions

in Rupees

	Mar 31, 2025	Mar 31, 2024
<i>Balance Due to/ From the Company</i>		
Payables-Trade Debts	-	290,992,861
Accruals	16,630,363	70,198,317
Receivables-Trade debts	-	-
Loans and Advances	32,676,626	7,361,378
Other Current Liabilities	-	-
Investment by the Parent Company	-	-
Advances received	-	-
<i>Transactions</i>		
Reimbursements to the Company	-	-
Reimbursements by the Company	3,218,492	316,348
Software Development Service Income	-	-
Software Development Service Expenses	275,417,669	506,040,011
Advances Taken	-	-

24 Prior periods Comparatives

Previous year figures have been re grouped / reclassified, where ever necessary to conform to this year's classification.

