

PT INTELLECT DESIGN ARENA

**FINANCIAL STATEMENTS
AS AT MARCH 31, 2023
AND FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITOR'S REPORT**

**PT INTELLECT DESIGN ARENA
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023
AND FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITOR'S REPORT**

Table of Contents

	Pages
Directors' Statement Letter	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 45

Independent Auditor's Report

Report No. 01038/2.1051/AU.1/06/1091-2/1/V/2023

The Shareholders, Commissioner and Board of Directors

PT INTELLECT DESIGN ARENA

Opinion

We have audited the financial statements of PT Intellect Design Arena (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Standards on Auditing 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 statements.

As part of an audit in accordance with 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 statements, 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 statements 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 statements, including the disclosures, and whether the financial statements 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.

KOSASIH, NURDIYAMAN, MULYADI, TJAHO & REKAN

Heru Kusdandaru

Public Accountant License No. 1091

May 30, 2023

PT INTELLECT DESIGN ARENA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2023
(Expressed in Rupiah, unless otherwise stated)

	Notes	2023	2022
ASSETS			
CURRENT ASSETS			
Cash in bank	4	471,153,936	1,232,325,566
Trade receivables - third parties	5	7,309,204,321	4,021,788,142
Other receivables - a related party	18	2,626,754,426	-
Contract assets	6,19	18,934,365,541	25,284,395,406
Prepaid expense		156,747,420	10,694,346
Advances		17,047,695	10,051,150
Prepaid tax	12	336,479,707	1,126,650,753
Total Current Assets		29,851,753,046	31,685,905,363
NON-CURRENT ASSETS			
Claim for tax refund	12	540,432,036	-
Deferred tax assets - net	12	535,732,354	445,988,834
Equipment - net	7	91,600,265	84,974,278
Right-of-use asset - net	8	910,191,431	328,210,988
Security deposits		97,176,000	272,226,851
Total Non-current Assets		2,175,132,086	1,131,400,951
TOTAL ASSETS		32,026,885,132	32,817,306,314
LIABILITIES			
CURRENT LIABILITIES			
Contract liabilities	9	878,230,588	-
Trade payables - third parties	10	2,420,828,938	2,495,353,793
Other payables - related party	18	22,095,621,363	28,769,180,532
Loan from a shareholder	18	3,554,057,554	-
Accrued expenses	11	1,114,678,673	1,120,382,508
Taxes payable	12	54,992,837	303,408,318
Current maturities of lease liability	8	336,960,462	345,023,615
Total Current Liabilities		30,455,370,415	33,033,348,766
NON-CURRENT LIABILITIES			
Employee benefits liability	17	653,116,000	284,362,000
Lease liability - net of current maturities	8	553,889,144	-
Total Non-current Liabilities		1,207,005,144	284,362,000
TOTAL LIABILITIES		31,662,375,559	33,317,710,766
EQUITY (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	13	3,023,000,000	3,023,000,000
Additional paid-in capital	13	267,844,000	267,844,000
Accumulated deficit		(2,926,334,427)	(3,791,248,452)
EQUITY NET (CAPITAL DEFICIENCY)		364,509,573	(500,404,452)
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)		32,026,885,132	32,817,306,314

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, 2023
(Expressed in Rupiah, unless otherwise stated)

	Notes	2023	2022
REVENUES	14	5,946,504,848	22,346,560,442
COST OF REVENUES	15	(5,079,695,129)	(17,195,580,613)
GROSS PROFIT		866,809,719	5,150,979,829
Operating expenses	16	(2,220,459,477)	(2,451,830,814)
OPERATING INCOME (LOSS)		(1,353,649,758)	2,699,149,015
OTHER INCOME (EXPENSES)			
Other income	18	2,626,754,426	-
Loss on foreign exchange - net		(191,899,330)	(1,135,535)
Interest expense	8,18	(111,078,509)	(61,634,530)
Bank charges		(47,250,989)	(141,675,784)
Tax expense		(7,051,391)	(150,000)
Others (net)		(8,980,250)	32,052,342
Total Other Income (Expenses) - net		2,260,493,957	(172,543,507)
PROFIT BEFORE INCOME TAX		906,844,199	2,526,605,508
INCOME TAX EXPENSE	12	(56,768,114)	(333,230,839)
PROFIT FOR THE YEAR		850,076,085	2,193,374,669
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss in subsequent period:			
Remeasurement of employee benefits liability	17	19,023,000	21,606,000
Related income tax	12	(4,185,060)	34,371,320
Other comprehensive income - net		14,837,940	55,977,320
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		864,914,025	2,249,351,989

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

PT INTELLECT DESIGN ARENA
STATEMENT OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
For the Year Ended March 31, 2023
(Expressed in Rupiah, unless otherwise stated)

	Share Capital (Note 13)	Additional Paid-in Capital (Note 13)	Accumulated Deficit	Equity (Capital Deficiency)
Balance as at April 1, 2021	3,023,000,000	267,844,000	(6,040,600,441)	(2,749,756,441)
Profit for the year	-	-	2,193,374,669	2,193,374,669
Other comprehensive income - net of tax	-	-	55,977,320	55,977,320
Balance as at March 31, 2022	3,023,000,000	267,844,000	(3,791,248,452)	(500,404,452)
Profit for the year	-	-	850,076,085	850,076,085
Other comprehensive income - net of tax	-	-	14,837,940	14,837,940
Balance as at March 31, 2023	3,023,000,000	267,844,000	(2,926,334,427)	364,509,573

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, 2023
(Expressed in Rupiah, unless otherwise stated)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	906,844,199	2,526,605,508
Adjustments to reconcile profit before income tax to net cash provided flows:		
Employee benefits expense	387,777,000	260,915,000
Depreciation of right-of-use assets	475,016,058	562,647,409
Depreciation of equipment	45,690,876	24,755,055
Interest expense	111,078,509	61,634,530
Unrealized loss on foreign exchange - net	191,899,330	1,135,535
Changes in working capital:		
Trade receivable - third parties	(3,287,416,179)	480,965,034
Other receivable	(2,626,754,426)	
Contract assets	6,350,029,865	(11,205,398,710)
Prepaid expense	(177,450,634)	(8,448,604)
Advances	(6,996,545)	42,948,850
Security deposits	175,050,851	-
Prepaid tax	790,171,046	(891,130,418)
Contract liabilities	878,230,588	-
Trade payables - third parties	(74,524,855)	36,885,401
Other payables – a related parties	(6,673,559,169)	7,497,385,374
Accrued expenses	(5,703,835)	472,601,948
Taxes payable	(1,994,814)	23,267,212
Interest paid	(39,254,690)	(61,634,530)
Income tax paid	(937,549,397)	(230,057,753)
Receipt of claim for tax refunds	-	59,899,976
Net cash used in operating activities	(3,519,416,222)	(345,023,183)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of equipment	(52,316,863)	(60,996,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of principal portion of lease liability	(511,170,510)	(548,776,670)
Proceeds of loan from a shareholder	3,321,731,965	-
Net cash from (used in) financing activities	2,810,561,455	(548,776,670)
NET DECREASE IN CASH IN BANK	(761,171,630)	(954,795,853)
CASH IN BANK AT THE BEGINNING OF THE YEAR	1,232,325,566	2,187,121,419
CASH IN BANK AT THE END OF THE YEAR	471,153,936	1,232,325,566

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

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

Establishment and General Information

PT Intellect Design Arena (the "Company") was established in Indonesia on December 16, 2014 based on Notarial Deed No. 04 of Ariana Budiarti Rahayu, S.H., M.Kn. The Notarial Deed was recorded by Investment Coordinating Board with No. 3196/1/IP/PMA/2014 dated March 21, 2019 and was approved by the Ministry of Law and Human Rights in its Decision Letter No. AHU-0052063.AH.01.11.2019, dated March 28, 2019.

The Company's Articles of Association have been amended, most recently by Notarial Deed No. 2 dated October 3, 2022 of Ariana Budiarti Rahayu, S.H., M.Kn., a notary in Jawa Barat, regarding changes in the Company's Commissioner and the composition of Board of Directors. The amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.09-0064865 dated October 12, 2022. As at issuance date of the financial statements, the State Gazette in relation to the amendment 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 at The Plaza Office Tower 19th Floor Unit D1, Jl. M.H. Thamrin Kav.28-30, Gondangdia, Menteng, Jakarta Pusat, DKI Jakarta.

The Company's immediate parent company is Intellect Design Arena Pte. Ltd., incorporated and domiciled in Singapore and its ultimate parent company is Intellect Design Arena Limited, incorporated and domiciled in India.

Commissioner, Board of Directors and Employees

As at March 31, 2023 and 2022, the composition of the Company's Board of Director and Commissioner are as follows:

	2023
Commissioner	Ramakrishna Deepak Dastrala
President Director	Philo Dellano
Directors	Raju Mohan Daryani Selvakumaran Soundararajan
	2022
Commissioner	Govind Singhal
Director	Philo Dellano

As at March 31, 2023 and 2022, the Company had 7 and 6 employees, respectively (unaudited).

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

Completion of the financial statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with Indonesian Financial Accounting Standards, which were completed and authorized for issuance by the Company's Directors on May 30, 2023.

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-IAI").

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, 2022, 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, 2022.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 statement of cash flows presents receipts and payments of cash and cash equivalents 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.

Amendments/Improvements to Standards Effective in the Current Year

In the current year, the Company has applied a number of amendments/ improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after April 1, 2022. The adoption of these revised PSAKs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

- PSAK 71 (2020 Annual Improvements), "Financial Instruments"

PSAK 71 (2020 Annual Improvements) clarifies fee recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments/Improvements to Standards Effective in the Current Year (continued)

- PSAK 73 (2020 Annual Improvements), “Leases”

PSAK 73 (2020 Annual Improvements) removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Standard and Amendments to Standards Issued not yet Adopted

At the date of authorization of these financial statements, the following standards and amendments to PSAK relevant to the Company were issued but not effective, with early application permitted:

Effective for periods beginning on or after January 1, 2023

- PSAK 1 (Amendment), “Presentation of Financial Statements”: Classification of Liabilities as Current or Non-current

The narrow-scope amendments to PSAK 1, “Presentation of Financial Statements” clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g the receipt of a waiver or a breach of covenant). The amendments also clarify what PSAK 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

- PSAK 1 (Amendment), “Presentation of Financial Statements”: Disclosure of Accounting Policies

This amendment provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- PSAK 16 (Amendment), “Property, Plant and Equipment”: Proceeds before Intended Use

The amendments prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds would have met the revenue definition and therefore should be recognized in profit or loss.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard and Amendments to Standards Issued not yet Adopted (continued)

Effective for periods beginning on or after January 1, 2023 (continued)

- PSAK 25 (Amendment), “Accounting Policies, Changes in Accounting Estimates and Errors”: Definition of Accounting Estimates

The amendment introduces a definition of ‘accounting estimates’ and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

- PSAK 46 (Amendment), “Income Taxes”: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment proposes that entities recognize deferred tax assets and liabilities at the time of initial recognition, for example from a lease transaction, to eliminate differences in current practice for such transactions and similar transactions.

Effective for periods beginning on or after January 1, 2024

- PSAK 73 (Amendment), “Lease”: Lease Liability in a Sale and Leaseback

This amendment provides clarification of the subsequent measurement of right-of-use assets and lease liabilities from sale and leaseback transactions. The seller-lessee measures the lease liability in such a manner that it does not recognize any amount of the gain or loss that relates to the right of use retained.

As at the issuance date of the financial statements, the effects of adopting these standard and amendments on the financial statements are not known nor reasonably estimable by management.

Current and Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realized or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) due to be settled within 12 months after the reporting period, or
- iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Transactions and Balances Translation

The reporting currency used in the financial statements is Indonesian Rupiah, which is also the Company's functional currency.

Transactions involving foreign currencies are recorded in Indonesian Rupiah at the rates of exchange prevailing at the time the transactions are made. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the rates of exchange of the Intellect Design Arena Group at such dates, and any resulting gains or losses are credited or charged to operations of the current period.

Foreign Currency Transactions and Balances Translation (continued)

The exchange rates used for translation into Rupiah, the Company's presentation currency, as at March 31, 2023 and 2022 are as follows:

	2023	2022
1 United States Dollar (USD)	14,940	14,300
1 Singapore Dollar (SGD)	11,235	-

Transactions with Related Parties

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

- 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.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies financial instruments into financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

i. Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at (i) amortized cost, (ii) fair value through profit or loss ("FVTPL"), or (iii) fair value through OCI ("FVTOCI").

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as solely payments of principal and interest (SPPI) testing and it is performed at instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company's financial assets consist of cash in bank, trade receivables, other receivables and security deposits classified as financial assets at amortized cost. The Company has no financial assets measured at fair value through profit or loss and through other comprehensive income.

ii. Financial liabilities

The Company classifies its financial liabilities, at initial recognition, as: (i) financial liabilities at FVTPL or (ii) financial liabilities measured at amortized cost.

The Company's financial liabilities consist of trade and other payables, loan from a shareholder, accrued expenses and lease liability classified as financial liabilities at amortized cost. The Company has no financial liabilities measured at fair value through profit or loss.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

i. Financial assets

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to buy or sell the asset.

The measurement of financial assets depends on their classification. All the Company's financial assets are classified as financial assets at amortized cost (debt instruments).

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. 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.

ii. Financial liabilities

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method. All the Company's financial liabilities are classified as financial liabilities at amortized cost.

Effective Interest Method

Effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

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.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Because its trade receivables and contract assets do not contain significant financing component, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Trade receivables is written off when there is low possibility of recovering the contractual cash flow, after all collection efforts have been done and have been fully provided for allowance.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

i. Financial assets

A financial asset, or where applicable a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- (a) the contractual rights to receive cash flows from the financial asset have expired; or
- (b) the Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement and either (i) has transferred substantially all the risks and rewards of the financial asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the financial 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

ii. Financial liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. in the principal market for the asset or liability or;
2. in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participant act in their best economic interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to fair value measurement as a whole:

1. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
2. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
3. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Prepaid Expenses

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

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 equipments 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	3
Office equipment	5

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

The carrying value of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. When equipment are sold or retired, the cost, accumulated depreciation and any impairment losses are eliminated from the accounts. Any gain or loss arising from derecognition of the assets is charged to profit or loss in the year the assets is derecognized.

Equipment which is discontinued and held for sale, ceased of being depreciated and reclassified as asset held for sale in other assets account.

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.

An asset's recoverable amount is the higher of the asset's or its cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which the impairment loss is treated as a revaluation decrease.

In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Revenue and Expense Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

Software license and implementation

The Company provides software license and implementation that are bundled together with the sale of license to a customer. The software license and implementation can be obtained from other providers and do not significantly customize or modify the license. Such services are recognized as a performance obligation satisfied over time. Revenue is recognized for these software license and implementation based on the stage of completion. Management has assessed that the stage of completion determined based on progress of services is an appropriate measure of progress towards complete satisfaction of these performance obligations under PSAK 72. Payment for software license and implementation is not due from the customer until the software license and implementation are complete and therefore a contract asset is recognized over the period in which the software license and implementation are performed representing the Company's right to consideration for the services performed to date. This balance was previously recognized as unbilled work in progress.

The Company becomes entitled to invoice the customers from the services rendered based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer will be sent a relevant statement of work signed by a third party assessor and also invoices for the related milestone payment. The Company have recognized a contract asset for any work performed. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date under the cost-to-cost method then the Company recognizes a contract liability for the difference.

Expenses

Expenses are recognized when incurred (accrual basis).

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits

Short-term Employee Benefits

Short term employee benefits are employee benefits which are due for payment within twelve months after the reporting period and recognized when the employees have rendered this related service. Liabilities are recognized when the employee renders services to the Company where all changes in the carrying amount of the liability are recognized in profit or loss.

Defined Benefit Plans

In April 2022, DSAK-IAI issued an explanatory material through a press release regarding attribution of benefits to periods of service in accordance with PSAK 24: Employee Benefit which was adopted from IAS 19: Employee Benefits. The explanatory material conveyed the information that the fact pattern of the pension program based on the Labor Law currently enacted in Indonesia is similar to those responded and concluded in the IFRS Interpretation Committee (IFRIC) Agenda Decision Attributing Benefit to Periods of Service (IAS 19).

The Company has implemented the said explanatory material and accordingly, changed its accounting policy regarding attribution of benefits to periods of service. The implementation has no material impact on the amounts reported for the previous and current financial periods. The Company has reflected in current period the cumulative effect of the adjustments in prior periods that were considered immaterial.

The Company recognized unfunded employee benefits liability in accordance with Government Regulation Number 35 Year 2021 (PP 35/2021) that implement the provisions of Government Regulation in Lieu of Law ("Perppu") No. 2/2022 on Job Creation in 2022 and Law No. 11/2020 on Job Creation in 2021. 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.

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 earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier.

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

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

Defined Benefit Plans (continued)

The Company presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Leases

As Lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

As Lessee (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the conditions required by the terms and conditions of the lease, a provision is recognized and measured under PSAK 57. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Office building	3

If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that of the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies PSAK 48 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets policy.

Variable rents that do not depend on an index or rate are not included in the measurements of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line "General and administrative expenses" in the statement of profit or loss and other comprehensive income.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

As Lessee (continued)

As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax (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 other comprehensive income or directly in 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.

Events after the 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.

3. CRITICAL ACCOUNTING JUDGMENTS 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:

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

Judgments (continued)

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI testing and the business model. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant Increase in Credit Risk

As explained in Note 2, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PSAK 71 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

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 has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

Judgments (continued)

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. For lease contracts with extension or termination options, management need to estimate the lease term which requires consideration of all facts and circumstances that creates an economic incentive to exercise an extension option or not to exercise termination options, including any expected changes in facts and circumstances from commencement date until the exercise date of the options. Extension options (or periods after termination options) are only included in lease terms if the Company is reasonably certain to exercise the extension options or not to exercise the termination options. If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed.

Determining the timing of satisfaction of performance obligations

The Company concluded that revenue for services rendered is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company determined that the input method is the best method in measuring progress of the services because there is a direct relationship between the Company's effort (subcontractors cost incurred) and the transfer of service to the customer. The Company recognizes revenue on the basis of the labor hours and other cost expended relative to the total expected labor hours and other cost to complete the service.

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.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

Estimates and Assumptions (continued)

Impairment of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Notes 5 and 6, respectively.

Estimated useful lives of equipment

The costs of equipment are depreciated or amortized on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these equipment 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 equipment are disclosed in Note 7.

Pension and Employee Benefits

The determination of the Company's obligations and cost for pension and employee benefits liabilities 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 experiences or significant changes in the Company's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the employee benefits obligation are disclosed in Note 17.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

Estimates and assumptions (continued)

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 12.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary difference 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. Further details are disclosed in Note 12.

Impairment of non-financial assets

An 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 to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Management believes that there is no indication of potential impairment in values of non-financial assets as at March 31, 2023 and 2022.

Estimating the IBR for leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

4. CASH IN BANK

	2023	2022
PT Bank HSBC Indonesia Rupiah	471,153,936	1,232,325,566

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash in bank mentioned above.

5. TRADE RECEIVABLE - THIRD PARTIES

	2023	2022
PT Bank Rakyat Indonesia (Persero) Tbk.	7,078,977,001	3,946,349,000
PT Metrocom Global Solutions	230,227,320	75,439,142
Total	7,309,204,321	4,021,788,142

Movements in the Company's allowance for ECLs of trade receivables are as follows:

	2023					Total
	Not past due	< 30 days	31 – 60 days	61 – 90 days	> 91 days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	-	3,680,579,321	-	-	3,628,625,000	7,309,204,321
Lifetime ECL	-	-	-	-	-	-
Net	-	3,680,579,321	-	-	3,628,625,000	7,309,204,321

	2022					Total
	Not past due	< 30 days	31 – 60 days	61 – 90 days	> 91 days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	-	-	-	317,724,000	3,704,064,142	4,021,788,142
Lifetime ECL	-	-	-	-	-	-
Net	-	-	-	317,724,000	3,704,064,142	4,021,788,142

The Company believes all trade receivables are collectible and assesses that provision for expected credit loss (ECL) as at March 31, 2023 and 2022 is not required as the probability of non-collection is remote.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable mentioned above. The Company does not hold any collateral as security.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

6. CONTRACT ASSETS

	2023	2022
Software license and implementation	18,934,365,541	25,284,395,406

Contract assets are balances due from customers under software license and implementation rendered to customers in line with a series of performance-related milestones. Any amount previously recognized as a contract asset is reclassified to trade receivable at the point at which it is invoiced to the customer.

Management believes that all contract assets are collectible and assesses that provision for expected credit loss (ECL) has no material impact on the amounts reported, therefore, allowance for ECLs of contract assets were not provided as at March 31, 2023 and 2022.

7. EQUIPMENT

March 31, 2023	Beginning Balance	Additions	Ending Balance
Cost			
Computers	121,095,000	33,664,765	154,759,765
Office equipment	25,594,000	18,652,098	44,246,098
Total	146,689,000	52,316,863	199,005,863
Accumulated Depreciation			
Computers	36,120,722	44,105,696	80,226,418
Office equipment	25,594,000	1,585,180	27,179,180
Total	61,714,722	45,690,876	107,405,598
Net Book Value	84,974,278		91,600,265
March 31, 2022	Beginning Balance	Additions	Ending Balance
Cost			
Computers	60,099,000	60,996,000	121,095,000
Office equipment	25,594,000	-	25,594,000
Total	85,693,000	60,996,000	146,689,000
Accumulated Depreciation			
Computers	11,365,667	24,755,055	36,120,722
Office equipment	25,594,000	-	25,594,000
Total	36,959,667	24,755,055	61,714,722
Net Book Value	48,733,333		84,974,278

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

7. EQUIPMENT (continued)

Depreciation charged to operating expenses amounted to Rp 45,690,876 and Rp 24,755,055 in 2023 and 2022, respectively (Note 16). Based on review of the Company's management, there are no changes in conditions that indicate any impairment value of equipment as at March 31, 2023 and 2022.

All of the equipment as at the reporting date are fully used to support the Company's operational activities. Those assets are not yet fully depreciated, and there's no fully depreciated assets that are still used by the Company in its operation.

As at March 31, 2023 and 2022, the Company's equipment were not insured against all risks of damage.

8. LEASES

The Company has a lease contract for buildings used in its operations. Leases of a building (office space) generally have lease terms of 3 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

March 31, 2023	Beginning Balance	Additions	Deduction	Ending Balance
Cost				
Building	1,453,505,806	1,056,996,501	(1,453,505,806)	1,056,996,501
Accumulated Depreciation				
Building	(1,125,294,818)	(475,016,058)	1,453,505,806	(146,805,070)
Net Book Value	328,210,988			910,191,431
March 31, 2022	Beginning Balance	Additions	Ending Balance	
Cost				
Building	1,453,505,806		-	1,453,505,806
Accumulated Depreciation				
Building	(562,647,409)	(562,647,409)		(1,125,294,818)
Net Book Value	890,858,397			328,210,988

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

8. LEASES (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
As at April 1	345,023,615	893,800,285
Addition	1,056,996,501	-
Accretion of interest	39,254,690	61,634,530
Payment		
Principal	(511,170,510)	(548,776,670)
Interest	(39,254,690)	(61,634,530)
As at March 31	890,849,606	345,023,615
Current	336,960,462	345,023,615
Non-current	553,889,144	-

The following are the amounts recognised in profit or loss:

	2023	2022
Depreciation expense of right-of-use assets (Note 16)	475,016,058	562,647,409
Interest expenses on lease liabilities	39,254,690	61,634,530
Total	514,270,748	624,281,939

The Company had total cash outflows for leases of Rp 550,425,200 and Rp 610,411,200 in 2023 and 2022, respectively. The Company also had non-cash additions to right-of-use assets amounting to Rp 1,056,996,501 and nil in 2023 and 2022, respectively.

The maturity analysis of lease liabilities is disclosed in Note 21.

9. CONTRACT LIABILITIES

	2023	2022
Software maintenance services	878,230,588	-

Revenue relating to software maintenance services is recognized over time although the customer pays up-front in full for these services. A contract liability is recognized for revenue relating to the software license and implementation service at the time of the initial sales transaction and is released over the service period.

10. TRADE PAYABLES

	2023	2022
PT IDX Consulting	950,136,770	920,896,770
PT Camar Mitra Usaha Lestari	723,550,562	702,038,082
PT Indonesian Cloud	657,998,102	636,994,262
Others	89,143,504	235,424,679
Total	2,420,828,938	2,495,353,793

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

11. ACCRUED EXPENSES

	2023	2022
Salaries and incentives	937,538,139	908,997,169
Professional fees	140,275,333	204,513,333
Others	36,865,201	6,872,006
Total	1,114,678,673	1,120,382,508

12. TAXATION

a. Prepaid tax represents Value Added Tax amounting to Rp 336,479,707 and Rp 1,126,650,753 as at March 31, 2023 and 2022, respectively.

b. Taxes payable consists of the following:

	2023	2022
Income taxes:		
Article 21	43,709,351	51,366,054
Article 4 (2)	9,722,727	110,000
Article 23	1,560,759	5,511,597
Article 29	-	246,420,667
Total	54,992,837	303,408,318

c. Income tax expense

	2023	2022
Current tax expenses	(199,080,374)	(476,478,420)
Adjustment in respect over provision for fiscal year 2022	48,383,680	-
Deferred tax expense:		
Deferred tax relating to origination and reversal of temporary differences	93,928,580	156,087,061
Adjustments to deferred tax attributable to changes in tax rates	-	(12,287,647)
Current year adjustments	-	(551,833)
Total tax expense	(56,768,114)	(333,230,839)

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

- d. The tax on Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits on the entity as follows:

	2023	2022
Profit before income tax	906,844,199	2,526,605,508
Estimated income tax at marginal rate (22% in 2023 and 2022)	199,505,724	555,853,213
Tax effect of:		
Permanent differences - non-deductable expenses	(8,854,254)	22,914,944
Adjustment due to change in tax rate	-	12,287,647
Unrecognized deferred tax assets from temporary difference	(7,953,979)	3,051,562
Utilization of unrecognized deferred tax assets from tax loss	-	(261,428,360)
Tax discount and rounding	(77,545,697)	-
Adjustment in respect over provision for fiscal year 2022	(48,383,680)	-
Current year adjustments	-	551,833
Total tax expense	56,768,114	333,230,839

- e. The reconciliation between profit 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, 2023 and 2022 were as follows:

	2023	2022
Profit before income tax per statement of profit or loss and other comprehensive income	906,844,199	2,526,605,508
Temporary differences:		
Salaries, remuneration and incentives	28,540,964	455,674,943
Employee benefits	387,777,000	260,915,000
Depreciation of right-of-use assets and interest expense	(36,154,452)	13,870,739
Depreciation of equipment	10,630,128	(7,103,306)
Sub total	390,793,641	723,357,376
Permanent differences:		
Staff welfare	8,862,000	82,133,897
Communication	11,940,000	6,020,100
Health insurance	-	15,855,001
Tax expenses	51,391	150,000
Others	(61,100,000)	-
Sub total	(40,246,609)	104,158,998
Estimated taxable income of the Company	1,257,391,230	3,354,121,882

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

- e. The reconciliation between profit 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, 2023 and 2022 were as follows: (continued)

	2023	2022
Estimated taxable income of the Company	1,257,391,230	3,354,121,882
Fiscal losses carry forward:		
Year 2019	-	(1,188,310,724)
Taxable income (accumulated fiscal losses)	1,257,391,230	2,165,811,158
Taxable income (rounding)	1,257,391,000	2,165,811,000
Current tax expense	199,080,374	476,478,420
Prepayments of income tax article 23	(200,225,188)	(230,057,753)
Current tax payable (estimated claim from tax refund)	(1,144,814)	246,420,667

The applicable tax rate is in accordance with Income Tax law No. 36 Year 2008 Article 31E whereby a corporate tax payer with an annual turnover of not more than Rp 50 billion is entitled to a 50% discount of the standard tax rate of 22% in 2023, which is imposed proportionally on taxable income of the part of gross turn over up to Rp 4.8 billion.

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.

- f. The details of the deferred income tax expense and deferred tax assets as at March 31, 2023 and 2022 are as follows:

	2022	Credited (charged) to profit or loss	Charged to other comprehensive income	2023
Deferred tax assets - net				
Accrued salaries, remuneration and incentives	385,386,088	6,279,012	-	391,665,100
Employee benefit	62,559,640	85,310,940	(4,185,060)	143,685,520
Equipment	(1,956,894)	2,338,628	-	381,734
Net	445,988,834	93,928,580	(4,185,060)	535,732,354

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

- f. The details of the deferred income tax expense and deferred tax assets as at March 31, 2023 and 2022 are as follows: (continued)

	2021	Credited (charged) to profit or loss	Effect of changes in tax rates to profit or loss	Charged to other comprehensive income	Effect of changes in tax rates to other comprehensive income	Current year adjustments	2022
Deferred tax assets - net							
Accrued salaries, remuneration and incentives	259,216,000	100,248,488	25,921,600	-	-	-	385,386,088
Employee benefit	9,010,600	57,401,300	(38,223,580)	(4,753,320)	39,124,640	-	62,559,640
Equipment	143,333	(1,562,727)	14,333	-	-	(551,833)	(1,956,894)
Net	268,369,933	156,087,061	(12,287,647)	(4,753,320)	39,124,640	(551,833)	445,988,834

- g. Estimated claim for tax refund

	2023	2022
Estimated claim tax refund Year 2022	540,432,036	-

- h. Tax Assessment Letter and Tax Collection Letter

- (i) Value Added Tax

On December 23, 2022, the Company received Tax Collection Letter ("STP") penalties on Value Added Tax for period January 2018 amounting to Rp 366,852,476. The underpayment on VAT has been paid by the Company on January 25, 2023.

On March 17, 2023, the Company has submitted objection letter for the STP and submitted request for cancellation on penalty as claimed on STP PPN to the tax office. Up to the date of these financial statements, the tax office has not responded to the objection letter submitted by the Company.

- (ii) Withholding tax

On December 23, 2022, the Company received Underpayment Tax Assessment Letter ("SKPKB") for withholding tax article 23 and article 4(2) for period March 2018 amounting to Rp 472,383 and Rp 5,255,392, respectively. The underpayment on withholding tax article 23 and 4(2) has been paid by the Company on January 25, 2023.

- (iii) Corporate Income Tax

On December 23, 2022, the Company received SKPKB for Corporate Income Tax for its 2017 fiscal year amounting to Rp 166,706,971. The underpayment on Corporate Income Tax has been paid by the Company on January 25, 2023.

On March 17, 2023, the Company has submitted objection letter for the SKPKB. Up to the date of these financial statements, the tax office has not responded to the objection letter submitted by the Company.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

h. Tax Assessment Letter and Tax Collection Letter (continued)

(iii) Corporate Income Tax (continued)

On August 13, 2021, the Company received Decision Letter of Tax Overpayment Refund ("SKPPKP") for Corporate Income Tax for its 2020 fiscal year amounting to Rp 59,899,976. The overpayment on Corporate Income Tax has been received by the Company from the Tax Office on September 30, 2021.

i. Changes in tax rates

In October 2021, the Government of Indonesia approved the Law No. 7 Year 2021 ("Law No. 7/2021") related to harmonisation of tax regulations. Some purposes of Law No.7/2021 are to increase sustainable economic growth and support the acceleration of economic recovery, realize a tax system that is more just with legal certainty, implement administrative reforms, taxation policies, and expansion of the tax base, as well as increasing Taxpayer voluntary compliance.

Some changes in tax regulations from the implementation of Law No.7/2021, among others, as follows:

- a. The application of the corporate income tax rate to 22% starting from the 2022 Fiscal Year, and for domestic public listed companies that fulfill certain additional criteria will be eligible for a tax rate which is lower by 3% from the above mentioned tax rate;
- b. VAT rate increase from 10% to 11% which will take effect on April 1, 2022, then to 12% which will take effect no later than January 1, 2025;
- c. Simplification of VAT using final rate for certain taxable goods or services which also applies from April 1, 2022;
- d. Voluntary disclosure program for corporate tax payers for the period January 1 – June 30, 2022, on the basis of assets acquired during January 1, 1985 – December 31, 2015 which were not disclosed when participating in the previous tax amnesty program.

The implementation of Law No.7/2021 affect the measurement of deferred tax assets and liabilities as at March 31, 2023 which were measured using the applicable tax rate of 22%.

13. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

The Company's shareholders and their ownership as at March 31, 2023 and 2022 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 at March 31, 2023 and 2022.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

14. REVENUE

	2023	2022
Third parties		
Sales of implementation	4,481,794,863	20,322,220,442
Sales of software license	1,464,709,985	2,024,340,000
Total	5,946,504,848	22,346,560,442

15. COST OF REVENUES

	2023	2022
Software license and implementation	5,079,695,129	17,195,580,613

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

16. OPERATING EXPENSES

	2023	2022
Depreciation of right-of-use assets (Note 8)	475,016,058	562,647,409
Professional fee	455,094,700	287,584,001
Employee benefits (Note 17)	387,777,000	260,915,000
Sales incentive	271,730,919	494,315,199
Recruitment expense	246,657,009	-
Business promotion	55,342,384	45,664,586
Depreciation of equipment (Note 7)	45,690,876	24,755,055
Communication	42,366,809	50,347,406
Staff welfare expense	9,802,180	22,038,906
Travel and accommodation	7,283,700	265,165,679
Others	223,697,842	438,397,573
Total operating expenses	2,220,459,477	2,451,830,814

17. EMPLOYEE BENEFITS

The Company provides benefits for its employees who has reached the retirement age of 55 in accordance with Government Regulation Number 35 Year 2021 (PP 35/2021) that implement the provisions of Government Regulation in Lieu of Law ("Perppu") No. 2/2022 on Job Creation in 2022 and Law No. 11/2020 on Job Creation in 2021. 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 8, 2023 for the year ended March 31, 2023 and April 15, 2022 for the year ended March 31, 2022.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. EMPLOYEE BENEFITS (continued)

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

	2023	2022
Discount rate	6,80%	7,25%
Future salary increase	7,00%	7,00%
Mortality rate table	TMI IV 2019	TMI IV 2019
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:

	2023	2022
Current service cost	375,734,000	257,423,000
Interest cost	20,037,000	3,492,000
Other adjustment	(7,994,000)	-
Total	387,777,000	260,915,000

b. The details of employee benefits liability are as follows:

	2023	2022
Present value of benefit obligation	653,116,000	284,362,000

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

	2023	2022
Beginning	284,362,000	45,053,000
Adjustment due to change in benefit attribution method	(7,994,000)	-
Current service cost	375,734,000	257,423,000
Interest cost	20,037,000	3,492,000
Remeasurements:		
Effects of changes in financial assumption	22,551,000	29,310,000
Effects of experience adjustments	(41,574,000)	(50,916,000)
Total	653,116,000	284,362,000

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

	2023	2022
Within the next 12 months	4,065,000	2,114,000
Between 2 and 5 years	57,926,000	41,257,000
Between 5 and 10 years	3,872,197,000	3,791,295,000
More than 10 years	6,262,391,000	7,540,174,000

Weighted average duration of the defined benefits obligation at the end of reporting period is 8.4 years in 2023 and 14.6 years in 2022

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

17. EMPLOYEE BENEFITS (continued)

- e. The following table demonstrates the sensitivity to a reasonably possible change in market interest rates, with all other variables held constant, of the present value of employee benefits obligation as at March 31, 2023 and 2022:

	2023		2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on present value of employee benefits obligation				
Discount rate	604,006,000	707,492,000	255,996,000	316,911,000
Salary	713,463,000	598,012,000	319,629,000	253,294,000

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.

18. 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

License 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.

On April 1, 2019, the Company amended the original Intercompany Agreement IDA India, with the License fee equal to 70% and Implementation fee equal to 90%. The transfer pricing between the related party is agreed at 3.5% return on income after tax for year ending March 31, 2020, 8.5% for year ending March 31, 2021, 11.4% for year ending March 31, 2022 and 11.5% for year ending March 31, 2023.

Expenses recognized related to this agreement are presented as part of the Company's cost of revenues amounted to Rp 34,980,052 for the year ended March 31, 2023 and Rp 12,576,530,206 for the year ended March 31, 2022. Outstanding balance from this transaction is presented in the other payable account.

Loan Agreement

During 2022, the Company has entered into loan agreement with Intellect Design Arena Pte. Ltd., the shareholder, to provide loan facilities with total amount of SGD 310,000 (equivalent Rp 3,321,731,965) and has no fixed repayment date. The loan facilities will be used by the Company for working capital. The loan facilities bear interest at 3.5% per annum. For the year ended March 31, 2023, interest expense charged to profit or loss amounted to Rp 71,823,819.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

18. TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES (continued)

(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:

	2023	2022
<u>Other receivables</u>		
Intellect Design Arena Ltd., India	2,626,754,426	-
Percentage to total assets	8.20%	0%
	2023	2022
<u>Other payables</u>		
Licensing and implementation payable to Intellect Design Arena Ltd., India	22,053,960,113	28,727,519,282
Expense paid on behalf by Intellect Design Arena Ltd., India	41,661,250	41,661,250
Total	22,095,621,363	28,769,180,532
Percentage to total liabilities	69.79	86.35%
	2023	2022
<u>Loan from a shareholder</u>		
Intellect Design Arena Pte. Ltd., Singapore	3,554,057,554	-
Percentage to total liabilities	11.22%	0%
	2023	2022
<u>Other income</u>		
Intellect Design Arena Ltd., India	2,626,754,426	-
Percentage to total Other income	100%	0%

This account represents incentive income amounted to Rp 2,626,754,426 from Intellect Design Arena Ltd., India (ultimate parent company) to support the Company's operations based on financial performance of the Company each year.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

18. TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES (continued)

(b) Nature of relationship and transaction

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

Related party	Nature of Relationship	Nature of Transactions
Intellect Design Arena Pte. Ltd., Singapore	Parent company	Shareholder loan
Intellect Design Arena Ltd., India	Ultimate parent company	Other receivables and other payables

(c) Key management compensation

No compensation was paid to key management for employee services in 2023 and 2022.

19. SIGNIFICANT AGREEMENT

PT Metrocom Global Solutions

In November 6, 2017, Bank Indonesia ("BI") and PT Metrocom Global Solutions ("Metrocom") entered into a Letter of Appointment of Implementation Core Banking System No. 19/133/DPS/Srt/B. Total contract cost amounted to Rp 58,000,000,000.

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 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. 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. Project is still going on and received various addendum as below.

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.

PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk.

In June 2020, the Company entered into a Procurement of BJB Bank Digital Core Platform, wherein the Company agreed to render banking software and related services for BJB's financial development, production, DRC (Disaster Recovery Centers), training, cold backup and testing. Total contract cost amounted to Rp 14,300,000,000.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

19. SIGNIFICANT AGREEMENT (continued)

PT Bank Rakyat Indonesia, Tbk

In July 2020, the Company entered into a Procurement of Wealth Management Platform, wherein the Company agreed to render banking software and related services for BRI's financial development, production, DRC (Disaster Recovery Centers), training, cold backup and testing. Total contract cost amounted to Rp 30,910,180,700.

All the amounts mentioned above are inclusive of 11% and 10% VAT in 2023 and 2022, respectively.

All of these agreements are project-based, hence agreement get automatically extended until project is fully completed.

The table below show the amount of revenue and contract assets as at and for the year ended March 31, 2023 and 2022:

Customers	2023		2022	
	Revenue (Note 14)	Contract assets (Note 6)	Revenue (Note 14)	Contract assets (Note 6)
PT Metrocom Global Solutions	4,939,091,481	2,843,738,854	6,238,925,749	6,518,206,665
PT Bank Rakyat Indonesia, Tbk	1,007,413,367	10,305,745,206	14,372,134,693	12,969,488,741
PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk.	-	5,784,881,481	1,735,500,000	5,796,700,000
Total	5,946,504,848	18,934,365,541	22,346,560,442	25,284,395,406

20. FINANCIAL RISK MANAGEMENT

In its daily business activities, the Company is exposed to risks. The main risks faced by the Company arising from its financial instruments are credit 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 manages the risk positions in accordance with its policies and Company's risk appetite. The Company regularly reviews its 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.

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT

(a) Credit risk (continued)

Overview of the Company's exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's exposure to credit risk.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades as at March 31, 2023 and 2022:

Category	External Credit Rating	Internal Credit Rating	2023			
			12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank (Note 4)	AA-	Performing	12-month ECL	471,153,936	-	471,153,936
Trade receivables (Note 5)	N/A	i	Lifetime ECL (simplified approach)	7,309,204,321	-	7,309,204,321
Other receivables (Note 8)	N/A	i	Lifetime ECL (simplified approach)	2,626,754,426	-	2,626,754,426
Contract assets (Note 6)	N/A	i	Lifetime ECL (simplified approach)	18,934,365,541	-	18,934,365,541
Security deposit	N/A	Performing	12-month ECL	97,176,000	-	97,176,000
				29,438,654,224	-	29,438,654,224

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT

(a) Credit risk (continued)

Overview of the Company's exposure to credit risk (continued)

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades as at March 31, 2023 and 2022:

Category	External Credit Rating	Internal Credit Rating	2022			
			12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank (Note 4)	AA-	Performing	12-month ECL	1,232,325,566	-	1,232,325,566
Trade receivables (Note 5)	N/A	i	Lifetime ECL (simplified approach)	4,021,788,142	-	4,021,788,142
Contract assets (Note 6)	N/A	i	Lifetime ECL (simplified approach)	25,284,395,406	-	25,284,395,406
Security deposit	N/A	Performing	12-month ECL	272,226,851	-	272,226,851
				30,810,735,965	-	30,810,735,965

(i) For trade receivables, other receivables and contract assets, the Company has applied the simplified approach in PSAK 71 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

(b) 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 tables below summarize the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at March 31, 2023 and 2022:

	2023					Total
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Financial Liabilities						
Trade payables	2,420,828,938	-	-	-	-	2,420,828,938
Other payables	22,095,621,363	-	-	-	-	22,095,621,363
Loan from a shareholder	3,554,057,554	-	-	-	-	3,554,057,554
Accrued expenses	1,114,678,673	-	-	-	-	1,114,678,673
Lease liabilities	-	336,960,462	553,889,144	-	-	890,849,606
Total	29,185,186,528	336,960,462	553,889,144	-	-	30,076,036,134

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

	2022					Total
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Financial Liabilities						
Trade payables	2,495,353,793	-	-	-	-	2,495,353,793
Other payables	28,769,180,532	-	-	-	-	28,769,180,532
Accrued expenses	1,120,382,508	-	-	-	-	1,120,382,508
Lease liabilities	-	345,023,615	-	-	-	345,023,615
Total	32,384,916,833	345,023,615	-	-	-	32,729,940,448

(c) 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 at March 31, 2023 and 2022:

	2023	2022
Share capital	3,023,000,000	3,023,000,000
Additional paid-in capital	267,844,000	267,844,000
Total	3,290,844,000	3,290,844,000

Categories and classes of financial instruments

	Financial assets at amortized cost	
	2023	2022
Current financial assets		
Cash in bank	471,153,936	1,232,325,566
Trade receivables - third parties	7,309,204,321	4,021,788,142
Other receivables - third parties	2,626,754,426	-
Contract assets	18,934,365,541	25,284,395,406
Non-current financial assets		
Security deposit	97,176,000	272,226,851
Total financial assets	29,438,654,224	30,810,735,965

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

(c) Capital management (continued)

Categories and classes of financial instruments (continued)

	Financial liabilities at amortized cost	
	2023	2022
Current financial liabilities		
Contract liabilities	878,230,588	-
Trade payables - third parties	2,420,828,938	2,495,353,793
Other payables - related party	22,095,621,363	28,769,180,532
Loan from a shareholder	3,554,057,554	-
Accrued expenses	1,114,678,673	1,120,382,508
Current maturity of lease liability	336,960,462	345,023,615
Non-current financial liabilities		
Lease liability	553,889,144	-
Total financial liabilities	30,954,266,722	32,729,940,448

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Lease liabilities	890,849,606	883,101,274	392,771,217	345,023,615

The fair value for which the fair value is disclosed above is based on Level 2. The fair value of the instruments classified as Level 2 calculated using the discounted cash flow method. Market-based rate adjusted by credit risk was used for discounting future cash flows. There were no financial instruments that were measured at amortized cost but for which fair value were disclosed that were classified as Level 3 either in current year or in prior year.

22. MONETARY ASSETS OR LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

As at March 31, 2023 and 2022, monetary assets and liabilities in foreign currencies are as follows:

		2023	
		Original Currency	Rp equivalent
Liabilities:			
Loan from a shareholder	SGD	(316,351)	(3,554,057,554)
Net liabilities		(316,351)	(3,554,057,554)

PT INTELLECT DESIGN ARENA
NOTES TO THE FINANCIAL STATEMENTS
As at March 31, 2023 and For The Year Then Ended
(Expressed in Rupiah, unless otherwise stated)

23. SUPPLEMENTARY INFORMATION FOR CASH FLOWS

a. Significant non-cash investing activity:

	2023
Acquisition of right-of-use assets through lease liabilities	1,056,996,501

b. Reconciliation of a liability from financing activity:

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	March 31, 2022	Addition	Non-cash transaction	Payments	March 31, 2023
Lease liabilities	345,023,615	-	1,056,996,501	(511,170,510)	890,849,606
Loan from a shareholder	-	3,321,731,965	232,325,589	-	3,554,057,554
		March 31, 2021	Payments	March 31, 2022	
Lease liabilities		893,800,284	(548,776,669)	345,023,615	