PT INTELLECT DESIGN ARENA

FINANCIAL STATEMENTS
AS OF MARCH 31, 2021 AND
FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITOR'S REPORT

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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF MARCH 31, 2021
AND FOR THE YEAR THEN ENDED
PT INTELLECT DESIGN ARENA

I, the undersigned below:

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

Declare that:

1. I am responsible for the preparation and presentation of the Company's financial statements **PT Intellect Design Arena** March 31, 2021;
2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the financial statements is complete and correct;

   b. The financial statements do not contain misleading material information or facts, and do not omit material information or facts;
4. We are responsible for Company's internal control system.

This statement has been made truthfully.

May 7, 2021

PT Intellect Design Arena

METERAI TEMPEL
B588FAJX134851076

Philo Dellano
Director

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INDEPENDENT AUDITOR'S REPORT

Report No. 00587/2.1051/AU.1/05/0268-2/1/V/2021

The Shareholders, Commissioner and Director
PT INTELLECT DESIGN ARENA

We have audited the accompanying financial statements of PT Intellect Design Arena, which comprise the statement of financial position as of March 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in capital deficiency and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Intellect Design Arena as of March 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matter

We draw attention to Note 24 to the financial statements which indicates that PT Intellect Design Arena has incurred a negative working capital of Rp 3,899,768,316 and deficit of Rp 6,040,600,441 which resulted to a capital deficiency of Rp 2,749,756,441 as of March 31, 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt about its ability to continue as a going concern. With regards to this matter, Intellect Design Arena Ltd., Singapore, the immediate parent entity, has committed to provide financial support for PT Intellect Design Arena to allow it to meet its maturing obligations as they fall due. Management's plans concerning these matters are also discussed in Note 24 to the financial statements. Accordingly, the accompanying financial statements have been prepared assuming that PT Intellect Design Arena will continue as a going concern. The financial statements do not include any adjustments that might arise from the outcome of this uncertainty and our opinion is not modified in respect of this matter.

KOSASIH, NURDIYAMAN, MULYADI, TJAHJO & REKAN

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

May 7, 2021

PT INTELLECT DESIGN ARENA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2021
(Expressed in Rupiah, unless otherwise stated)

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash in bank	2,4	2,187,121,419	1,673,073,561
Trade receivable - third parties	2,5	4,502,753,176	7,323,597,897
Contract assets	2,6,19	14,078,996,696	-
Unbilled receivable - third parties	2,7,19	-	6,025,893,252
Prepaid expense		3,381,276	61,811,889
Advances		53,000,000	45,386,965
Prepaid tax	2,12	235,520,335	299,120,522
Total Current Assets		**21,060,772,902**	**15,428,884,086**
NON-CURRENT ASSETS			
Claim for tax refund	2,12	59,899,977	-
Deferred tax assets - net	2,12	268,369,933	278,443,070
Equipment - net	2,8	48,733,333	15,181,100
Right-of-use asset - net	2,9	890,858,397	-
Security deposits	2	272,226,851	269,486,000
Total Non-current Assets		**1,540,088,491**	**563,110,170**
TOTAL ASSETS		**22,600,861,393**	**15,991,994,256**
LIABILITIES NET OF CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Trade payables - third parties	2,10	2,458,468,392	-
Other payables - related parties	2,18	21,271,795,158	18,944,002,393
Accrued expenses	2,11	647,780,560	613,000,010
Taxes payable	2,12	33,720,439	908,728
Lease liability - current	2,9	548,776,669	-
Total Current Liabilities		**24,960,541,218**	**19,557,911,131**
NON-CURRENT LIABILITIES			
Employee benefits liability	2,17	45,053,000	29,681,000
Lease liability	2,9	345,023,616	-
Total Non-current Liabilities		**390,076,616**	**29,681,000**
Total Liabilities		**25,350,617,834**	**19,587,592,131**
CAPITAL DEFICIENCY			
Share capital - Authorized 10,000 shares with Rp 1,209,200 (USD 100) par value per share; Issued and fully paid 2,500 shares as of March 31, 2021 and 2020	13	3,023,000,000	3,023,000,000
Additional paid-in capital	13	267,844,000	267,844,000
Deficit		(6,040,600,441)	(6,886,441,875)
Capital Deficiency		**(2,749,756,441)**	**(3,595,597,875)**
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY		**22,600,861,393**	**15,991,994,256**

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, 2021
(Expressed in Rupiah, unless otherwise stated)

	Notes	2021	2020
REVENUE	2,14	14,997,418,272	4,814,726,044
COST OF REVENUES	2,15	(11,911,765,351)	(2,782,920,090)
GROSS INCOME		**3,085,652,921**	**2,031,805,954**
Operating expenses	2,16	(1,938,737,048)	(1,528,520,906)
OPERATING INCOME - NET		**1,146,915,873**	**503,285,048**
OTHER INCOME (EXPENSES)	2		
Bank charges		(181,012,366)	(78,882,803)
Interest expense	2,9	(112,692,479)	-
Loss on foreign exchange - net		(971,942)	(413,169,899)
Tax expense		(1,207,515)	(1,000,000)
Total Other Expenses - Net		**(295,884,302)**	**(493,052,702)**
INCOME BEFORE INCOME TAX		**851,031,571**	**10,232,346**
INCOME TAX BENEFIT	2,12		
Deferred		88,470,913	27,885,654
NET INCOME		**939,502,484**	**38,118,000**
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) item not to be reclassified to profit or loss subsequently:			
Remeasurement of employee benefits liability	2,17	4,883,000	162,290,000
Related income tax	2,12	(98,544,050)	(40,572,500)
Other Comprehensive Income (Loss) - net		(93,661,050)	121,717,500
TOTAL COMPREHENSIVE INCOME		**845,841,434**	**159,835,500**

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

PT INTELLECT DESIGN ARENA
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For The Year Ended March 31, 2021
(Expressed in Rupiah, unless otherwise stated)

	Share Capital (Note 13)	Additional Paid-in Capital (Note 13)	Deficit	Net Capital Deficiency
Balance as of April 1, 2019	**3,023,000,000**	**267,844,000**	**(7,046,277,375)**	**(3,755,433,375)**
Net income	-	-	38,118,000	38,118,00
Other comprehensive income - net of tax	-	-	121,717,500	121,717,500
Balance as of March 31, 2020	**3,023,000,000**	**267,844,000**	**(6,886,441,875)**	**(3,595,597,875)**
Net income	-	-	939,502,484	939,502,484
Other comprehensive income - net of tax	-	-	(93,661,050)	(93,661,050)
Balance as of March 31, 2021	**3,023,000,000**	**267,844,000**	**(6,040,600,441)**	**(2,749,756,441)**

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, 2021
(Expressed in Rupiah, unless otherwise stated)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		851,031,571	10,232,346
Adjustments to reconcile income before income tax to net cash provided by operating activities:			
Employee benefits expense	17	20,255,000	46,563,000
Depreciation of right-of-use-assets	9	562,647,409	-
Depreciation of equipment	8	18,047,767	5,118,800
Interest expense	9	112,692,479	-
Changes in working capital:			
Trade receivable - third parties		2,820,844,721	(7,323,597,897)
Contract assets		(14,078,996,696)	-
Unbilled receivable - third parties		6,025,893,252	9,710,383,976
Prepaid expense		(3,381,276)	11,348,233
Advances		(7,613,035)	(45,386,965)
Security deposits		(2,740,851)	-
Prepaid tax		63,600,187	597,131,057
Trade payables - third parties		2,458,468,392	-
Other payables - related parties		2,333,732,765	(2,831,858,526)
Accrued expenses		34,780,549	70,620,790
Taxes payable		32,811,711	(5,688,345)
Interest paid	9	(112,692,479)	-
Tax refund received	12	-	542,739,417
Income tax paid		(59,899,977)	
Net Cash Provided from Operating Activities		**1,063,541,489**	**787,605,886**
Cash Flows From Investing Activity			
Purchases of equipment	8	(51,600,000)	-
Cash Flows From Financing Activity			
Principal portion of lease liability	9	(497,893,631)	-
NET INCREASE IN CASH IN BANK		**514,047,858**	**787,605,886**
CASH IN BANK AT THE BEGINNING OF THE YEAR		**1,673,073,561**	**885,467,675**
CASH IN BANK AT THE END OF THE YEAR		**2,187,121,419**	**1,673,073,561**

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

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

The Company's establishment

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

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

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

Commissioner, Director and Employees

Based on Circular Resolution In Lieu of the Extraordinary General Meeting of Shareholder dated March 21, 2020, the Company changed its Director. As of March 31, 2021 and 2020, the detail is as follows:

	2021	2020
Commissioner:	Govind Singhal	Govind Singhal
Director:	Philo Dellano	Philo Dellano

As of March 31, 2021 and 2020, the Company had 4 and 1 (one) employees, respectively (unaudited).

Completion of the financial statements

The accompanying financial statements were completed and authorized for issue by the Company's management on May 7, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation of the financial statements (continued)

The 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, 2020, 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, 2020.

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.

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

Amendments and Improvements to Standards Issued not yet Adopted

Certain new accounting standards amendments and improvements relevant to the Company have been published that are not mandatory for the year ended March 31, 2021 and have not been early adopted by the Company. The Company's is still assessing the impact of these relevant new standards and interpretations as set out below:

- Amendments to PSAK 1, "Presentation of Financial Statements"

  The narrow-scope amendments to PSAK 1 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 (i.e. the receipt of a waver 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.

  They must be applied retrospectively in accordance with the normal requirements in PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Errors". The amendments will become effective on January 1, 2023 and earlier application is permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments and Improvements to Standards Issued not yet Adopted (Continued)

- Amendments to PSAK 16, "Property, Plant and Equipment about Proceeds before Intended Use"

  This amendment clarifies the reduction in net sales of each item that is generated when bringing the asset to the location and conditions necessary for the asset to be ready for use in accordance with management's intention of testing costs, as well as clarifies the meaning of "testing".

  The amendments to PSAK 16 add paragraph 20 A which states that the entity recognizes the sales proceeds and the cost of the items generated in profit or loss and the entity measures the cost by applying the measurement requirements in PSAK 14: Inventories.

  The amendments to PSAK 16 also add paragraph 74 A which regulates the disclosure of the related production cost and proceeds of property, plant, and equipment in connection to paragraph 20A, if it is not presented separately in the consolidated statement of profit or loss and other comprehensive income, and the relocation of disclosure requirement from paragraph 74(d) to paragraph 74A(a).

  The amendments to PSAK 16, "Property, Plant and Equipment about Proceeds before Intended Use" will become effective on January 1, 2023 and earlier application is permitted.

- Amendments to PSAK 57, "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling the Contracts"

  These amendments clarify the cost of fulfilling a contract when assessing whether a contract is onerous.

  The amendments to PSAK 57 specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of:

  1. Incremental costs of fulfilling that contract; and
  2. Allocation of other costs that relate directly to fulfilling contracts.

  The amendments to PSAK 57, "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling the Contracts" will become effective on January 1, 2022 and earlier application is permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments and Improvements to Standards Issued not yet Adopted (Continued)

- Amendments to PSAK 71, “Financial Instruments", Amendments to PSAK 55, "Financial Instruments: Recognition and Measurement", Amendments to PSAK 60, "Financial Instruments: Disclosures", Amendments to PSAK 62, "Insurance Contracts" and Amendments to PSAK 73, "Leases" about Interest Rate Benchmark Reform - Phase 2”

  Interest Rate Benchmark Reform - Stage 2 addresses issues that may affect financial reporting during the interest rate benchmark reform, including the effects of changes in contractual cash flows or hedging relationships that arise from replacing the interest rate benchmark with a new alternative reference. These amendments amend the requirements in PSAK 71, “Financial Instruments”, PSAK 55, “Financial Instruments: Recognition and Measurement”, PSAK 60, “Financial Instruments: Disclosures”, PSAK 62, “Insurance Contracts” i and PSAK 73, “Leases” related to:

  - changes in the basis for determining the contractual cash flows from financial assets, financial liabilities and lease liabilities;
  - hedge accounting; and
  - disclosures.

  Interest Rate Benchmark Reform - Stage 2 only applies to changes required by the interest rate benchmark reform for financial instruments and hedging relationships. These amendments will become effective on January 1, 2021 and earlier application is permitted.

- Amendments to PSAK 73, “Leases: Rental Concessions related to COVID-19”

  As a result of the COVID-19 pandemic, rental concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The standard board made an amendment to PSAK 73 which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

  Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rental concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rental concessions.

  The amendments to PSAK 73, “Leases: Rental Concessions related to COVID-19” will become effective for the annual reporting period starting on or after 1 June 2020 and earlier application is permitted.

- 2020 Annual Improvements (effective on January 1, 2022 and earlier application is permitted)
  - PSAK 71, “Financial Instruments”
  - PSAK 73, “Leases”

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 realised or intended to be sold or consumed in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) expected to be realised 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 twelve months after the reporting period, or
iv) there is no unconditional right to defer the settlement of the liability for at least twelve 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification

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.

From January 1, 2020

(i) Financial assets

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

The Company's financial assets consist of cash in bank, trade receivables, contract assets, 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 as: (i) financial liabilities at FVTPL or (ii) financial liabilities measured at amortized cost.

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

Before January 1, 2020

(iii) Financial assets

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

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

(iv) Financial liabilities

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and measurement

From January 1, 2020

(i) Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component of for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transactions costs. Trade receivables that do not contain a significant financing component or which the Company has applied the practical expedient are measured at the transaction price determined under PSAK 72.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, 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 the 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.

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.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss.

  Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

  Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not fulfilled with solely payments of principal and interest (SPPI) testing are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. The Company's financial asset at FVTPL consists of equity investments, other long-term investments, mutual funds, and convertible bonds. There are no financial assets in the Company under this category as of March 31 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and measurement (continued)

From January 1, 2020 (continued)

(i) Financial assets (continued)

For purposes of subsequent measurement, financial assets are classified in four categories: (continued)

- Financial assets at amortized cost (debt instruments)

  This category is the most relevant to the Company. 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.

  Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost consist of cash and cash equivalents, trade receivables, contract assets, and security deposits.

- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)

  The Company measures debt instruments at FVTOCI if both of the following conditions are met:

  - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

  For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss. There are no financial assets in the Company under this category as of March 31, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and measurement (continued)

From January 1, 2020 (continued)

(i) Financial assets (continued)

- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

  Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under PSAK 71 and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment. There are no financial assets in the Company under this category as of March 31, 2021.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loan and borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through profit or loss

  Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

  Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

  Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PSAK 71 are satisfied. The Company has not designated any financial liability as at FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and measurement (continued)

From January 1, 2020 (continued)

(i) Financial liabilities (continued)

- Financial liabilities at amortized cost

  This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at cost using the EIR method. Gains and losses are recognized in the statement of profit or loss and OCI when the liabilities are derecognized as well as through the amortization process using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and other borrowings.

Before January 1, 2020

(ii) Financial assets

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

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

(ii) Financial liabilities

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting of financial instruments

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

Fair value of financial instruments

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

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

Amortized cost of financial instruments

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

Impairment of financial assets

From January 1, 2020

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 90-days (a 90-days 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).

For trade receivables, 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 has 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

From January 1, 2020

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 are 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.

Before January 1, 2020

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

Before January 1, 2020 (continued)

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

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

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

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

Derecognition

(i) Financial assets

The Company derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the financial asset have expired; or the Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third parties under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

(ii) Financial liabilities

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

When an existing financial liability is replaced by other liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

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 able 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Fair Value Measurement

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 (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

Impairment of non-financial assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

Income Taxes

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

Current tax

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

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

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

Deferred tax

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

Revenue and expense recognition

The Company applied PSAK 72, “Revenue from Contracts with Customer” effective beginning January 1, 2020.

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

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

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

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

The Company adopted PSAK 72 retrospectively with the cumulative effect of applying this standard recognized at the date of application, which is April 1, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Expenses Recognition (Continued)

The effects of the application of PSAK 72 on January 1, 2020 are as follows:

	Increase (decrease)
Assets	
Contract assets	6,025,893,252
Unbilled receivable	(6,025,893,252)

From January 1, 2020

Revenue

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 service to a customer.

Software license and implementation

The Company provides software license and implementation that are individual and 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 parties assessor and also invoices for the related milestone payment. The Company will previously 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Expenses Recognition (Continued)

Before January 1, 2020

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

Revenue are recognized when the services are rendered to customers.

Expenses are recognized when incurred (accrual basis).

Leases

The Company applied PSAK 73, “Leases” effective beginning January 1, 2020.

The change in definition of a lease mainly relates to the concept of control. PSAK 73 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

PSAK 73 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of ‘low value’ assets and short-term leases. At commencement date of a lease, a lessee will recognize a liability to make a lease payment (the lease liability) and an asset representing the right to use the underlying asset during the lease term (the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payment, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under PSAK 30 are presented as operating cash flows; whereas under the PSAK 73 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

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

The Company adopted PSAK 73 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease on January 1, 2020. Instead, the Company applied the standard only to contracts that were previously identified as leases applying PSAK 30 at the date of initial application.

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

In applying PSAK 73 for the first time, the Company used the following practical expedients permitted by the standard:

- Use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Recognition of lease liabilities and right-of-use assets not to include leases with lease terms that ends during the current financial year or for leases of low-value assets
- Exclusion of initial direct costs for the measurement of the right-of-use assets on January 1, 2020
- Determination of lease term on January 1, 2020 using hindsight where the contract contained options to extend or terminate the lease
- Election by class of underlying asset not to separate non-lease components from lease components
- Reliance on its assessment of whether leases are onerous immediately before the date of initial application

<u>Leases previously accounted as operating leases</u>

For leases previously classified as operating leases, the Company determined the carrying amount of the right-of-use assets and lease liabilities at the date of initial application, January 1, 2020. The lease liability was measured based on the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, January 1, 2020. The weighted average of the Company's incremental borrowing rate applied is 6%. The right-of-use assets was measured according to the amount of lease liability (adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease).

Right-of-use assets and lease liabilities are presented as a separate line item in the statement of financial position.

The effects of the application of PSAK 73 on January 1, 2020 are as follows:

	Increase (decrease)
Assets	
Prepaid expenses	(61,811,889)
Right-of-use assets	1,453,505,805
Liabilities	
Lease Liabilities	1,391,693,916

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The following table shows the operating lease commitments disclosed by applying PSAK 30 at March 31, 2020, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	Increase (decrease)
Operating lease commitments at March 31, 2021	1,577,070,511
Effect of discounting the above amounts	(185,376,595)
Lease liabilities recognized as at April 1, 2020	1,391,693,916

<u>As lessee</u>

From January 1, 2020

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.

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;
- 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (continued)

From January 1, 2020 (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 subsequently measured at cost less accumulated depreciation and impairment losses. 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
Building	2

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (continued)

From January 1, 2020 (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. 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 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 assets policy.

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 used this practical expedient..

Before January 1, 2020

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions and balances

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

The exchange rates used for translation from USD into Rupiah as of March 31, 2021 and 2020 are Rp 16,367 and Rp 14,244, respectively.

Transaction with related parties

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

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

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

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. All significant transactions and balances with related parties are disclosed in Note 18.

Employee Benefits

<u>Short-term employee benefits</u>

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

Defined benefit plan

The Company recognized funded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the “Labor Law”). 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.

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

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

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

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.

Amendments and Interpretations to Standards Effective in the Current Year

In the current year, the Company has applied a number of amendments and interpretations to standards that are relevant to its operations and effective for accounting period beginning on or after January 1, 2020.

- Amendments to PSAK 71, “Financial Instruments: Prepayment Features with Negative Compensation”

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments and Interpretations to Standards Effective in the Current Year (Continued)

- Amendments to PSAK 1, "Presentation of Financial Statements: Definition of Material" and Amendments to PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material"

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

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

- Amendments to PSAK 1, "Presentation of Financial Statements: Titles of Financial Statements"

  The amendments add the sentence "adjusting the description used for" before the sentence "… financial statements itself" to make it consistent with the intention of paragraph 5 of IAS 1, "Presentation of Financial Statements".

- ISAK 36, "Interaction between Provisions regarding Land Rights in PSAK 16, Property, Plant and Equipment, and PSAK 73, Leases"

  In general, ISAK 36 regulates:

a. Assessment in determining the accounting treatment related to land rights focusing on the substance of the land rights and not its legal form;
b. Accounting treatment relating to land rights in accordance with PSAK 16, wherein the contractual terms provide rights which are in-substance purchase of property, plant and equipment, including the provisions in paragraph 58 of PSAK 16 which states that in general, land is not depreciated;
c. Accounting treatment relating to land rights in accordance with PSAK 73, wherein the substance of land rights does not transfer control over the underlying asset and only gives the right to use of the underlying asset for a period of time, then, the substance of the land rights is a lease transaction.

The adoption of the 2019 amendments and interpretations to standards has no significant impact on the Company's financial statements.

3. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Judgments

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

Classification of Financial Instruments

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK. 71 (Starting January 1, 2020) and PSAK 55 (before January 1, 2020). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the accounting policy as disclosed in Note 2.

Determination of Functional Currency

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

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company's assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in spite of the conditions that indicate the existence of a material uncertainty that may cast significant doubt about its ability to continue as a going concern. Therefore, the financial statements continue to be prepared as a going concern basis. Further details are disclosed in Note 24.

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.

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

Judgments

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

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.

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

Estimates and assumptions

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

Depreciation of Equipments

The costs of equipments are depreciated or amortized on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these equipments 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 equipments are disclosed in Note 8.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are disclosed in Note 12.

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company had accumulated tax losses and temporary differences amounting to Rp 1,188,310,724 and Rp 2,227,311,609, as of March 31, 2021 and 2020, respectively, for which deferred income tax is not recognized. Further details are disclosed in Note 12.

(Expressed in Rupiah, unless otherwise stated)

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

Employee Benefits

The determination of the Company's obligations and cost for employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period which they occur. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liability for employee benefits and net employee benefits expense. The Company's estimated liability for employee benefits amounting to Rp 45,053,000 and Rp 29,681,000 as of March 31, 2021 and 2020, respectively (Note 17).

4. CASH IN BANK

The details of this account are as follows:

	2021	2020
The Hongkong and Shanghai Banking Corporation		
Rupiah	2,187,121,419	1,672,256,486
United States Dollar (USD 50.75 as of March 31, 2020)	-	817,075
Total	**2,187,121,419**	**1,673,073,561**

5. TRADE RECEIVABLE - THIRD PARTIES

This account consists of:

	2021	2020
PT Metrocom Global Solutions	-	7,323,597,897
PT Bank Rakyat Indonesia, Tbk.	4,502,753,176	-
Total	**4,502,753,176**	**7,323,597,897**

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

	Not past due	< 30 days	31 – 60 days	61 – 90 days	> 91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount	-	-	-	4,502,753,176	-	4,502,753,176
Lifetime ECL	-	-	-	-	-	-
Net	**-**	**-**	**-**	**4,502,753,176**	**-**	**4,502,753,176**

(Expressed in Rupiah, unless otherwise stated)

5. TRADE RECEIVABLE - THIRD PARTIES (continued)

The aging analysis of trade receivables is as follows:

	2020
Not past due	7,323,597,897
Past due	
Up to 3 months	-
3 to 6 months	-
Total	**7,323,597,897**

6. CONTRACT ASSETS

This account consists of

:

	2021
Software license and implementation	14,078,996,696

Amounts relating to software license and implementation are balances due from customers under software license and implementation from customers that arise when the Company billed to customers in line with a series of performance-related milestones. Any amount previously recognized as a contract asset is reclassified to trade accounts receivable at the point at which it is invoiced to the customer.

Management believes all contract assets are collectible and assesses that provision for expected credit loss (ECL) has no material impact on the amounts reported for the current financial periods, therefore, allowance for ECLs of contract assets were not provided as of March 31, 2021 and April 1, 2020.

7. UNBILLED RECEIVABLE - THIRD PARTIES

The details of unbilled receivable as of March 31, 2020 are as follows:.

	2020
Contracts in progress at the end of the reporting period	
Engineering consultancy costs incurred plus recognized profits less recognized loss to date	29,734,795,656
Progress billings to date	(23,708,902,404)
	6,025,893,252

(Expressed in Rupiah, unless otherwise stated)

8. EQUIPMENT

Equipment consists of:

March 31, 2021	Beginning Balance	Additions	Ending Balance
Cost			
Computers	8,499,000	51,600,000	60,099,000
Office equipment	25,594,000	-	25,594,000
Total	**34,093,000**	**51,600,000**	**85,693,000**
Accumulated Depreciation			
Computers	8,499,000	2,866,667	11,365,667
Office equipment	10,412,900	15,181,100	25,594,000
Total	**18,911,900**	**18,047,767**	**36,959,667**
Net Book Value	**15,181,100**		**48,733,333**

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

Depreciation charged to operating expenses amounted to Rp 18,047,767 in 2021 and Rp 5,118,800 in 2020, respectively (Note 16).

As of March 31, 2021 and 2020, equipment are not yet insured by the Company against fire and other risks.

Based on review of the Company’s management, there are no changes in conditions that indicate any impairment value of equipment as of March 31, 2021 and 2020.

(Expressed in Rupiah, unless otherwise stated)

9. LEASES

The Company has a lease contract for buildings used in its operations. Leases of a building (office space) generally have lease terms 2 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

March 31, 2021	Beginning Balance	Impact of Application PSAK 73 Implementation	Additions	Ending Balance
Cost				
Building	-	1,453,505,806	-	1,453,505,806
Accumulated Depreciation				
Buidling	-	-	(562,647,409)	(562,647,409)
Net Book Value	**-**			**890,858,397**

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

	2021
As at April 1	
Additions	-
Impact of PSAK 73 implementation	1,391,693,916
Accretion of interest	112,692,479
Payment	
Principal	(497,893,631)
Interest	(112,692,479)
As at March 31	**893,800,285**
Current	548,776,669
Non-current	345,023,616

The following are the amounts recognised in profit or loss:

	2021
Depreciation expense of right-of-use assets (Note 16)	562,647,409
Interest expenses on lease liabilities	112,692,479
Total	**675,339,888**

The Company had total cash outflows for leases of Rp 610,586,111 in 2021. The Company also had non-cash additions to right-of-use assets amounting to Rp 1,453,505,806 in 2021.

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

(Expressed in Rupiah, unless otherwise stated)

10. TRADE PAYABLE

Trade payable consists of:

	2021	2020
PT Indonsian Cloud	994,211,770	-
PT Camar Mitra Usaha Lestari	755,980,189	-
PT IDX Consulting	689,658,303	-
Others	18,618,130	
Total	**2,458,468,392**	**-**

11. ACCRUED EXPENSES

The details of this account are as follows:

	2021	2020
Salaries and incentives	453,322,230	345,062,986
Professional fees	173,808,333	209,666,670
Others	20,649,997	64,210,354
Total	**647,780,560**	**618,940,010**

12. TAXATION

(a) Prepaid tax represents value added tax amounting to Rp 235,520,335 and Rp 299,120,522 as of March 31, 2021 and March 31, 2020 respectively.

(b) Taxes payable consists of the following:

	2021	2020
Income taxes:		
Article 21	28,498,939	-
Article 23	5,111,500	-
Article 4 (2)	110,000	908,728
Total	**33,720,439**	**908,728**

(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

(c) The reconciliation between income (loss) before income tax as shown in the statement of profit or loss and other comprehensive income and estimated fiscal loss for the years ended March 31, 2021 and 2020 as follows:

	2021	2020
Income (loss) before income tax per statement of profit or loss and other comprehensive income	851,031,571	10,232,346
Temporary differences:		
Salaries, remuneration and incentives	78,982,163	67,559,177
Employee benefits	20,255,000	46,563,000
Professional charges	(37,575,004)	15,000,000
Depreciation of right of use assets and interest expense	53,809,488	
Depreciation	15,897,767	(2,579,560)
Sub total	131,369,414	126,542,617

	2021	2020
Permanent differences:		
Business promotion	12,384,000	(758,330)
Staff welfare	30,060,563	59,400
Office Maintenance	256,000	-
Communication	3,671,903	6,234,684
Health insurance	9,019,918	33,860,491
Tax expenses	1,207,516	1,000,000
Sub total	56,599,900	40,396,245
Estimated taxable income of the Company	**1,039,000,885**	**177,171,208**
Fiscal losses carry forward:		
Year 2019	(1,746,955,003)	(1,746,955,003)
Year 2017	(480,356,606)	(657,527,814)
Accumulated fiscal losses	**(1,188,310,724)**	**(2,227,311,609)**
Current tax expense	-	-
Prepayments of income tax article 23	(59,899,977)	-
Estimated claim from tax refund	**(59,899,977)**	**-**

As of March 31. 2021 and 2020. the Company has not recognized deferred tax assets on fiscal losses as the management believes that there is uncertainty of the realizability of these deferred tax assets in the future.

(d) Estimated claim for tax refund

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

(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

(e) 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 entities as follows:

	2021	2020
Income before tax benefit	851,031,571	10,232,346
Estimated income tax at marginal rate (22% in 2021 and 25% in 2020)	187,226,946	2,558,087
Tax effect of:		
Permanent differences - non-deductable expenses (22% in 2021 and 25% in 2020)	12,451,978	10,099,061
Adjustment due to change in tax rate	(63,864,284)	-
Adjustment due to difference in tax rate applied	723,056	-
Unrecognized deferred tax assets from temporary difference (22% in 2021 and 25% in 2020)	3,571,586	3,750,000
Utilization of unrecognized deferred tax assets from tax loss (22% in 2021 and 25% in 2020)	(228,580,195)	(44,292,802)
Total tax expense	**(88,470,913)**	**(27,885,654)**

(f) Income tax expense

	2021	2020
Deferred tax expense:		
Deferred tax relating to origination and reversal of temporary differences (22% in 2021 and 25% in 2020)	24,606,629	27,885,654
Adjustments to deferred tax attributable to changes in tax rates	63,864,284	
Total tax expense	**88,470,913**	**27,885,654**

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

	2020	Credited (charged) to profit or loss	Effect of changes in tax rates to profit or loss	Credited to other comprehensive income	Effect of changes in tax rates to other comprehensive income	2021
Deferred tax assets - net						
Accrued salaries, remuneration and incentives	274,818,095	17,376,076	(32,978,171)	-	-	259,216,000
Employee benefit	7,420,250	4,051,000	96,083,400	(976,600)	(97,567,450)	9,010,600
Equipment	(3,795,275)	3,179,553	759,055	-	-	143,333
Net	**278,443,070**	**24,606,629**	**63,864,284**	**(976,600)**	**(97,567,450)**	**268,369,933**

(Expressed in Rupiah, unless otherwise stated)

12. TAXATION (continued)

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

	2020	Credited (charged) to profit or loss	Charged to other comprehensive income	2021
Deferred tax assets - net				
Accrued salaries, remuneration and incentives	257,928,301	16,889,794	-	274,818,095
Employee benefit	36,352,000	11,640,750	(40,572,500)	7,420,250
Equipment	(3,150,385)	(644,890	-	(3,795,275)
Net	**291,129,916**	**27,885,654**	**(40,572,500)**	**278,443,070**

The fiscal losses can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. In 2021 and 2020, no deferred tax was recognized on the accumulated fiscal losses since management believes that it is not probable that taxable profit will be available against which the temporary differences can be utilized.

Changes in corporate tax rates

On March 31, 2020, as part of the economic stimulus protection against the impact of Covid-19, the government of the Republic of Indonesia announced Government Regulation in Lieu of Acts ("Perpu") No. 1 Year 2020 Regarding State Financial Policy and Financial System Stability for Handling of Corona Virus Disease-19 (Covid-19) Pandemic and/or in Order to Counter Threats which are Dangerous to National Economy and/or Financial System Stability. On May 18, 2020, Perpu No. 1 Year 2020 has been legalized as Law ("UU") No. 2 Year 2020.

Law No. 2 Year 2020 regulates, among others, a decrease in the corporate tax rate as follows:

- For fiscal years 2020 and 2021: from 25% to 22%;
- Starting fiscal year 2022: from 22% to 20%;
- Domestic public listed companies that fulfill certain additional criteria will be eligible for a tax rate which is lower by 3% from the abovementioned tax rates.

The current income tax and deferred tax assets as of and for the year ended March 31, 2021 was measured using the new corporate tax rate.

13. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

The Company's shareholders and their ownership as of March 31, 2021 and 2020 are as follows:

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

Additional paid-in capital resulted from the difference in exchange rate stated in the Company's Articles of Association and the actual exchange rate on the date the share capital contribution was paid by the shareholders amounting to Rp 267,844,000 as of March 31, 2021 and 2020.

(Expressed in Rupiah, unless otherwise stated)

14. REVENUE FROM CONTRACT WITH CUSTOMERS

The account consists of:

	2021	2020
Third parties		
Sales of software license	12,381,200,000	-
Sales of implementation	2,616,218,272	4,814,726,044
Total revenue	**14,997,418,272**	**4,814,726,044**

The Company has recognised the following revenue-related contract assets:

	2021
Contract assets relating to design service contracts	
Allowance for ECLs	-
Asset recognised for costs incurred to obtain contracts	14,078,996,696
Total contract assets	**14,078,996,696**

Significant changes in contract assets:

Contract assets have increased as the Company has provided greater services ahead of the agreed payment schedules for fixed-price contracts.

15. COST OF REVENUES

The account consists of:

	2021	2020
Software license and implementation	11,911,765,351	2,782,920,090
Total	**11,911,765,351**	**2,782,920,090**

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

(Expressed in Rupiah, unless otherwise stated)

16. OPERATING EXPENSES

This account consists of:

	2021	2020
Depreciation of right of use assets (Note 9)	562,647,409	-
Salaries and remuneration	547,959,612	187,656,135
Professional fee	316,310,886	319,165,782
Business promotion	159,906,853	7,715,630
Sales incentive and variable pay	118,676,119	88,445,684
Travel and accommodation	97,938,102	51,771,673
Social security cost	31,435,934	13,858,920
Staff welfare expense	30,060,563	3,333,278
Employee benefits (Note 17)	20,255,000	46,563,000
Depreciation of equipment (Note 8)	18,047,767	5,118,800
Insurance – staff	9,019,918	33,860,491
Communication	7,507,429	59,810,211
Office maintenance	1,439,983	38,046,309
Rent	-	666,000,000
Others	17,706,473	7,174,993
Total operating expenses	**1,938,737,048**	**1,528,520,906**

(Expressed in Rupiah, unless otherwise stated)

17. EMPLOYEE BENEFITS

The Company provide long-term employee benefits to its employees in accordance with Labor Law No. 13/2003 dated March 25, 2003. The benefits are unfunded. The following tables summarize the components of net benefits expense recognized in the statement of profit or loss and other comprehensive income and the amounts recognized in the statement of financial position for the employee benefits liability as calculated by an independent actuary, PT Milliman Indonesia, in its report dated April 16, 2021 for the year ended March 31, 2021 and May 5, 2020 for the year ended March 31, 2020.

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

	2021	2020
Discount rate	7.75%	8.70%
Future salary increase	7.00%	7.00%
Mortality rate table	TMI IV 2019	TMI III 2011
Retirement age	55 years old	55 years old
Method	Projected Unit Credit	Projected Unit Credit

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

	2021	2020
Current service cost	25,974,000	33,840,000
Past service cost	(8,301,000)	-
Interest cost	2,582,000	12,723,000
Total (Note 16)	**20,255,000**	**46,563,000**

b. The details of employee benefits liability:

	2021	2020
Present value of benefit obligation	**45,053,000**	**29,681,000**

(Expressed in Rupiah, unless otherwise stated)

17. EMPLOYEE BENEFITS (continued)

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

	2021	2020
Beginning	29,681,000	145,408,000
Current service cost	25,974,000	33,840,000
Interest cost	2,582,000	12,723,000
Past service cost	(8,301,000)	-
Remeasurements:		
Effects of changes in demographic assumption	-	66,000
Effects of changes in financial assumption	(4,603,000)	192,000
Effects of experience adjustments	(280,000)	(162,548,000)
Total	**45,053,000**	**29,681,000**

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

	2021	2020
Within the next 12 months	614,000	205,000
Between 2 and 5 years	9,513,000	1,833,000
Between 5 and 10 years	39,901,000	6,122,000
More than 10 years	5,197,121,000	498,261,000

Weighted average duration of the defined benefits obligation at the end of reporting period is 14.6 years in 2021 and 14.1 years in 2020.

17. EMPLOYEE BENEFITS (continued)

e. As of March 31, 2021, if the discount rate is higher by 1 percent with all other variables held constant, the present value of defined benefits obligation would have been Rp 123,097,000 lower, while if the discount rate is lower by 1 percent, the present value of defined benefits obligation would have been Rp 172,260,000 higher.

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

<u>Government Regulation Number 35 Year 2021 – Job Creation Law</u>

On February 2, 2021, the Government promulgated Government Regulation Number 35 Year 2021 (PP 35/2021) to implement the provisions of Article 81 and Article 185 (b) of Law No. 11/2020 on Job Creation (Cipta Kerja), which aims to create the widest possible employment opportunities.

PP 35/2021 regulates the work agreement for a certain period (non-permanent employees), outsourcing, working time, rest time, and termination of employment, which can affect the minimum benefits that must be provided to employees.

As of the authorization date of these financial statements, the Company is still evaluating the potential impacts of PP 35/2021, including its impact on the Company's financial statements in the next reporting period.

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

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

(a) Significant agreement

On October 1, 2017, the Company entered into an Intercompany Agreement with Intellect Design Arena Ltd., India ("IDA India"), in which the Company agreed to pay IDA India licenses fees equal to 70% of the transaction value generated from the sale or license of the Licensed Product by IDA India and implementation fee equal to 90% of the billing value generated from the end users for the implementation support. Period of this agreement is 3 years effective from effective date and shall be renewed for an additional period of 3 years at the option of the Company. Expenses recognized related to this agreement are presented as part of the Company's cost of revenues amounting to Rp 8,416,671,454 for the year ended March 31, 2021 and Rp 2,782,920,090 for the year ended March 31, 2020. Outstanding balance from this transaction is presented in the other payable account.

On April 1, 2019, the Company amended the original Intercompany Agreement with IDA India wherein as per the new agreement, The transfer pricing between the related party is agreed at 3.5% for year ending 31-Mar-20 and 5.71% for year ending 31-Mar-21 return on income before Tax.. The 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.

(Expressed in Rupiah, unless otherwise stated)

18. BALANCES, NATURE OF 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:

	2021	2020
Other payables		
Licensing and implementation payable to Intellect Design Arena Ltd., India	21,230,133,908	18,854,014,179
Expense paid on behalf by Intellect Design Arena Ltd., India	41,661,250	84,048,214
Total	**21,271,795,158**	**18,938,062,393**
Percentage to total liabilities	**83.91%**	**96.68%**

(c) Nature of relationship and transaction

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

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

(d) Key management compensation

No compensation was paid to key management for employee services for March 31, 2021 and 2020, respectively.

19. SIGNIFICANT AGREEMENT

PT Metrocom Global Solutions

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

(Expressed in Rupiah, unless otherwise stated)

19. SIGNIFICANT AGREEMENT (continued)

PT Metrocom Global Solutions

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 45.015.393.344 (included VAT).

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 (included VAT).

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 (included VAT) and this agreement is valid for 8 months from February 28, 2021.

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 (included VAT) and this agreement is valid for 3 years from July 17, 2021.

The table below is shown the amount of revenue and contract assets (2019: unbilled receivable) as of and for the year ended March 31, 2021 and 2020:

	2021		2020	
Customers	**Revenue (Note 14)**	**Contract assets (Note 6)**	**Revenue (Note 14)**	**Unbilled receivables (Note 7)**
PT Metrocom Global Solutions	1,965,652,288	7,596,546,695	4,814,726,04	6,025,893,252
PT Bank Rakyat Indonesia, Tbk	4,420,565,984	471,250,000	-	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk.	8,611,200,000	6,011,200,000	-	-
Total	**14,997,418,272**	**14,078,996,695**	**4,814,726,04**	**6,025,893,252**

20. FINANCIAL RISK MANAGEMENT

In its daily business activities, the Company is exposed to risks. The main risks facing by the Company arising from its financial instruments are credit risk, market risk (i.e. interest rate risk and foreign exchange rate risk) and liquidity risk. The core function of the Company's risk management is 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.

(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT (continued)

(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.

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 of March 31, 2021:

Category	External Credit Rating	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Bank balances (Note 4)	AA-	Performing	12-month ECL	2,187,121,419	-	2,187,121,419
Trade receivables (Note 5)	N/A	i	Lifetime ECL (simplified approach)	4,502,753,176	-	4,502,753,176
Contract assets (Note 6)	N/A	i	Lifetime ECL (simplified approach)	14,078,996,696	-	14,078,996,696
Security deposit	N/A	Performing	12-month ECL	272,226,851	-	272,226,851
				21,041,098,142		**21,041,098,142**

(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT (continued)

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

(i) For trade 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

The following table provides the credit quality and aging analysis of the Company's financial assets according to the Company's credit ratings of debtors as of March 31, 2020:

	March 31, 2020					
	Neither Past Due nor Impaired	**< 60 days**	**60-90 days**	**> 90-120**	**Past due and impaired**	**Total**
Cash in banks	1,673,073,561	-	-	-	-	1,673,073,561
Trade receivables	7,323,597,897	-	-	-	-	7,323,597,897
Unbilled receivable	6,025,893,252	-	-	-	-	6,025,893,252
Security deposit	269,486,000	-	-	-	-	269,486,000
Total	**15,292,050,710**	-	-	-	-	**15,292,050,710**

The credit quality of financial instruments is managed by the Company using internal credit ratings. Financial instruments classified under "neither past due nor impaired" includes high grade credit quality instruments because there was few or no history of default on the agreed terms based on the letter of authorization, letter of guarantee or promissory note, "past due but not impaired" are items with history of frequent default nevertheless the amount due are still collectible. Lastly. "past due and impaired" are those that are long outstanding and has been provided with allowance for impairment loss on receivables.

(b) Market risk

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

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

The Company's significant monetary asset denominated in foreign currency as of March 31, 2021 and March 31, 2020 is presented in Note 22.

(Expressed in Rupiah, unless otherwise stated)

20. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

As of March 31, 2021 and 2020, the financial liabilities consist of accrued expenses, other payables, and trade payables due within one year after the reporting period. The lease liability will be mature within 1-2 years.

(d) Capital management

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

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

The table below summarizes the total capital considered by the Company as of March 31, 2021 and 2020:

	2021	**2020**
Share capital	**3,023,000,000**	**3,023,000,000**

(Expressed in Rupiah, unless otherwise stated)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Categories and Classes of Financial Instruments

	Financial assets at amortized cost 2021	Loans and receivables 2020
Current financial assets		
Cash in bank	2,187,121,419	1,673,073,561
Trade receivables	4,502,753,176	7,323,597,897
Contract assets	14,078,996,696	-
Unbilled receivables	-	6,025,893,252
Non-current financial assets		
Security deposit	269,486,000	272,226,851
Total financial assets	**21,038,357,291**	**15,294,791,561**

	Liabilities at amortized cost 2021	2020
Current financial liabilities		
Trade payables - third parties	2,458,468,392	-
Other payables - related party	21,271,795,158	18,938,062,393
Accrued expenses	647,780,560	618,940,010
Lease liability – current	548,776,669	-
Non-current financial liabilities		
Lease liability	345,023,616	-
Total financial liabilities	**25,271,844,395**	**19,557,002,403**

Fair value measurement

Fair value of financial instruments carried at amortized cost

(Expressed in Rupiah, unless otherwise stated)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

	2021	
	Carrying amount	**Fair value**
FINANCIAL LIABILITIES		
Lease liabilities	893,800,285	949,827,335

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 ASSET IN FOREIGN CURRENCY

As of March 31, 2021 and 2020, monetary asset in foreign currency is as follows:

	2021		2020	
	Original Currency	**Rp Equivalent**	**Original Currency**	**Rp Equivalent**
ASSET				
Cash on hand and in banks	-	-	50.75	817,075

23. SUPPLEMENTARY INFORMATION FOR CASH FLOWS

Significant non-cash investing activities:

	2021	**2020**
Acquisition of right-of-use assets through lease liabilities (Note 2)	1,391,693,916	-
Acquisition of right-of-use assets from reclassification of prepayments (Note 2)	61,811,889	-

Reconciliation of a liability from financing activity:

	March 31, 2020	**Impact from application of PSAK 73 (Note 2)**	**April 1, 2020**	**Payments**	**March 31, 2021**
Lease liabilities	**-**	**1,391,693,916**	**1,391,693,916**	**(497,893,632)**	**893,800,28**

24. GOING CONCERN

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

As shown in the financial statements, the Company incurred negative working captial of Rp 3,899,768,316 and deficit of Rp 6,040,600,441 which resulted to capital deficiency of Rp 2,749,756,441 as of March 31, 2021 These factors, among others, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Regarding these matters, the Company has an outstanding agreement with Bank Indonesia through PT Metrocom Global Solutions, PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk dan PT Bank Rakyat Indonesia Tbk with a total contract cost of Rp 103,210,180,700, which the Company's management believes to be sufficient to cover the deficit and capital deficiency in the succeeding years. In addition, Intellect Design Arena Ltd., Singapore, the immediate holding company, committed to provide financial support to the Company so as to allow it to meet its maturing obligations as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

25. ECONOMIC ENVIRONMENT UNCERTAINTY

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