



**Report of the auditors of Intellect Design Arena, PT, Indonesia to S.R. Batliboi & Associates LLP, auditors of INTELLECT DESIGN ARENA LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

To Intellect Design Arena, PT, Indonesia

**Opinion**

We have audited the statement of quarterly and year to date financial results of the Company for the quarter ended **March 31, 2024** and year ended March 31, 2024 of **Intellect Design Arena, PT, Indonesia** (the Company). The financial results include the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us.

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

**Basis for Opinion**

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

**Basis of Accounting**

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

**Other Matter**

The Company will prepare a separate set of financial statements for the year ended March 31, 2024 in accordance with the **Indonesian Finance Accounting Standards ("SAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK-IAI")** on which a separate auditor's report was issued by **M/s Teramihardja, Pradhono & Chandra** to the members of the Company.

**Management's Responsibility for the Financial Results**

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

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

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





**Auditor's Responsibilities for the Audit of the Financial Results**

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

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

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

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

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

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



**Murali Krishna Chakrala**  
**Proprietor**  
**Membership Number: 210566**  
**UDIN: 24210566BKAPQW7437**

Place: Chennai  
Date: 07.05.2024

**Intellect Design Arena, PT, Indonesia**  
**Balance Sheet as of March 31, 2024**  
**(All amounts are in Rupees in INR unless otherwise stated)**

Particulars	Note	Mar 31, 2024	Mar 31, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	222,509	503,801
Right-of-use-assets	4	2,999,906	5,006,053
		-	-
Financial assets			
- Loans and deposits	6	527,909	534,468
Income tax assets (net)	7	708,535	3,005,507
Deferred tax assets (net)	8	2,839,381	2,946,528
<b>CURRENT ASSETS</b>			
Financial asset			
- Trade receivables	9	32,189,256	40,200,624
- Cash and Cash equivalents	10	20,026,067	2,591,347
- Other financial assets	11	63,548,650	118,586,160
Other current assets	12	1,816,005	2,806,512
<b>TOTAL</b>		<b>124,878,218</b>	<b>176,180,999</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Equity Share Capital	13	14,510,400	14,510,400
Other Equity		(11,102,329)	(12,472,467)
<b>Total Equity</b>		<b>3,408,071</b>	<b>2,037,933</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
- Lease Liability		3,009,003	4,899,673
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
- Trade payables	14		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14	90,975,647	135,397,300
- Other financial liabilities	15	3,321,051	5,195,648
Other current liabilities	16	20,905,238	25,058,306
Provisions	17	3,259,209	3,592,138
<b>TOTAL</b>		<b>124,878,218</b>	<b>176,180,999</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For CHAKRALA AND ASSOCIATES**

**Chartered Accountants**

**ICAI Firm Regn No: 012657S**

*Murali Krishna Chakrala*

**Murali Krishna Chakrala**  
**Proprietor**  
**Membership No : 210566**

Place: Chennai  
Date: 07.05.2024



## Profit and Loss Account for the period ended March 31, 2024

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

Particulars	Note	Mar 31, 2024	Mar 31, 2023
<b>INCOME</b>			
Revenue from operations	19	45,863,582	45,605,906
Other Income	20	2,531,285	95,452
<b>TOTAL INCOME</b>		<b>48,394,867</b>	<b>45,701,358</b>
<b>Expenses</b>			
Employee benefit expenses	21	19,050,231	29,604,954
Depreciation and amortization expenses	3	2,199,392	3,003,353
Finance costs	23	841,873	589,946
Other expenses	22	19,170,486	7,745,324
<b>Total Expenses</b>		<b>41,261,983</b>	<b>40,943,576</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>7,132,885</b>	<b>4,757,781</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>7,132,885</b>	<b>4,757,781</b>
Extraordinary Items		-	-
<b>PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURE AND TAX</b>		<b>7,132,885</b>	<b>4,757,781</b>
Share of profit of Associates and Joint venture		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>7,132,885</b>	<b>4,757,781</b>
<b>TAX EXPENSES</b>			
Income taxes - Current tax		2,967,269	767,645
- Deferred tax		-	(507,214)
<b>PROFIT FOR THE YEAR</b>		<b>4,165,615</b>	<b>4,497,351</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(2,795,478)	31,246
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(2,795,478)</b>	<b>31,246</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>1,370,137</b>	<b>4,528,597</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date

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



**Murali Krishna Chakrala**  
Proprietor  
Membership No : 210566



Place: Chennai  
Date: 07.05.2024

**Intellect Design Arena, PT, Indonesia**  
**Statement of Changes in Equity for the year ended March 31, 2024**

**Intellect Indonesia**

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	
<b>As at 1st April 2023</b>	(17,129,215)	4,656,748	(12,472,467)
Profit / (Loss) for the year	4,165,615		4,165,615
Movement in Foreign Currency Translation Reserve (FCTR) through OCI		(2,795,478)	(2,795,478)
<b>As at Mar 31, 2024</b>	<b>(12,963,599)</b>	<b>1,861,270</b>	<b>(11,102,329)</b>



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Intellect Design Arena, PT, Indonesia  
Statement of Changes in Equity for the year ended March 31, 2024

Intellect Indonesia

Particulars	Reserves & Surplus	Items of OCI	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	
<b>As at 1st April 2022</b>	(21,626,565)	4,625,502	(17,001,063)
Profit / (Loss) for the year	4,497,351		4,497,351
Re-measurement of the net defined benefit liability/asset, net of tax effect	-		-
Fair value movement in cash flow hedge			-
Movement in Foreign Currency Translation Reserve (FCTR) through OCI		31,246	31,246
Exercise of share options			-
Ind AS - 115 transition adjustment for the year			-
Issue of shares on Preferential allotment	-		-
Share-based payments for the year		-	-
Transfer on account of options not exercised for the year	-		-
<b>As at Mar 31, 2023</b>	<b>(17,129,215)</b>	<b>4,656,748</b>	<b>(12,472,467)</b>



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## **1 Significant accounting judgements, estimates and assumptions**

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

### **Estimates and assumptions**

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

### **Impairment of non-financial assets**

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

### **Share-based payments**

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

### **Defined benefit plans (gratuity benefits)**

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

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

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

### **Fair value measurement of financial instruments**

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



### Intangible asset under development

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

## 2 Components of Other Comprehensive Income (OCI)

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

Particulars	Retained Earnings	Net movement on cash flow hedges	Total
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### During the year ended Mar 31, 2024

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

### During the year ended Mar 31, 2023

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





3  
**Plant property and equipment**  
**Intellect Indonesia**

Particulars	Plant & Machinery	Office Equipment	Total
<b>Gross block</b>			
As at April 1, 2023	851,179	243,354	1,094,532
Additions	-	-	-
Translation Difference	(30,952)	(8,849)	(39,801)
Deletions	-	-	-
<b>As at Mar 31, 2024</b>	<b>820,227</b>	<b>234,504</b>	<b>1,054,731</b>
<b>Depreciation</b>			
As at April 1, 2023	441,245	149,485	590,731
For the year	246,857	20,051	266,908
Translation Difference	(19,702)	(5,716)	(25,417)
Deletions	-	-	-
<b>As at Mar 31, 2024</b>	<b>668,401</b>	<b>163,821</b>	<b>832,222</b>
<b>Net book value</b>			
As at Mar 31, 2024	151,826	70,683	222,509
As at Mar 31, 2023	409,933	93,868	503,801



Intellect Design Arena, PT, Indonesia

4 Right of use asset

	Intellect Indonesia
Particulars	Right of use asset
<b>Gross Block</b>	
As at April 1, 2023	5,813,481
Additions	81,950
Translation Difference	(211,399)
Deletions	-
<b>As at Mar 31, 2024</b>	<b>5,684,032</b>
<b>Right of use asset -Accumulated Depreciation</b>	
As at April 1, 2023	807,428
Depreciation charge for the year	1,932,484
Translation Difference	(55,786)
Disposals	-
<b>As at Mar 31, 2024</b>	<b>2,684,126</b>
<b>Net Block</b>	
<b>As at Mar 31, 2024</b>	<b>2,999,906</b>
<b>As at Mar 31, 2023</b>	<b>5,006,053</b>



**Intellect Design Arena, PT, Indonesia**  
**Notes to the Financial Statements for the year ended March 31, 2024**  
**(All amounts are in Rupees in INR unless otherwise stated)**

Particulars	Mar 31, 2024	Mar 31, 2023
<b>6 Loans and deposits, carried at amortized cost</b>		
- Security Deposits	527,909	534,468
Total	<u>527,909</u>	<u>534,468</u>
<b>7 ADVANCE INCOME TAX</b>		
Advance income tax (Net of provision for tax)	708,535	3,005,507
Total	<u>708,535</u>	<u>3,005,507</u>
<b>8 DEFERRED TAX ASSETS (NET)</b>		
Deferred Tax Asset	2,839,381	2,946,528
Total	<u>2,839,381</u>	<u>2,946,528</u>
<b>9 Trade receivables</b>		
Trade receivables	32,189,256	40,200,624
Total	<u>32,189,256</u>	<u>40,200,624</u>
<b>10 Cash and cash equivalent carried at amortized cost</b>		
- On Current accounts	20,026,067	2,591,347
Total	<u>20,026,067</u>	<u>2,591,347</u>
<b>11 Other financial assets carried at amortized cost</b>		
Revenues accrued and not billed	63,548,650	118,586,160
Total	<u>63,548,650</u>	<u>118,586,160</u>
<b>12 OTHER CURRENT ASSETS</b>		
Prepayments and other recoveries	1,272,834	955,873
Salary advance	(0)	0
Input tax credit receivable	543,170	1,850,638
Total	<u>1,816,005</u>	<u>2,806,512</u>
<b>13 SHARE CAPITAL</b>		
Issued, Subscribed and Paid up	14,510,400	14,510,400
Total	<u>14,510,400</u>	<u>14,510,400</u>
<b>14 Trade payable</b>		
MSME creditors		
Other than MSME	90,975,647	135,397,300
Total	<u>90,975,647</u>	<u>135,397,300</u>
<b>15 Other financial liabilities carried at amortized cost</b>		
Employee benefit payable	3,321,051	5,195,648
Total	<u>3,321,051</u>	<u>5,195,648</u>
<b>16 OTHER CURRENT LIABILITIES</b>		
Payable to related parties	15,582,045	19,776,454
Billings in excess of revenues	4,745,313	4,830,268
Statutory dues	577,880	451,585
Total	<u>20,905,238</u>	<u>25,058,306</u>
<b>17 CURRENT PROVISIONS</b>		
- Provision for gratuity	3,259,209	3,592,138
Total	<u>3,259,209</u>	<u>3,592,138</u>
<b>18 NON-CURRENT LIABILITIES</b>		
- Lease Liability	3,009,003	-
	<u>3,009,003</u>	<u>-</u>



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**Intellect Design Arena, PT, Indonesia****Notes to the Profit and Loss account for the period ended Mar 31, 2024**

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

Particulars	Mar 31, 2024	Mar 31, 2023
<b>19 INCOME FROM SOFTWARE SERVICES AND PRODUCTS</b>		
Revenue from operations	45,863,582	45,605,906
Total	<u>45,863,582</u>	<u>45,605,906</u>
<b>20 OTHER INCOME</b>		
Interest Income		
Miscellaneous Income, Net	2,531,285	95,452
	<u>2,531,285</u>	<u>95,452</u>
<b>21 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and incentive		
Salaries and bonus	14,221,304	24,197,123
Contribution to		
Gratuity contribution scheme	2,328,979	2,093,996
Social security and other benefit plans for overseas employees	767,507	1,354,941
Staff welfare expenses	1,732,440	1,958,894
	<u>19,050,231</u>	<u>29,604,954</u>
<b>22 OTHER EXPENSES</b>		
Payment to the auditors		
- auditor	-	517,304
Cost of software packages, consumable and maintenance	42,209	304,173
Cost of technical sub-contractors	14,843,499	351,985
Travelling expenses	789,503	643,064
Communication expenses	246,229	236,540
Professional and Legal charges	1,960,717	3,213,732
Power and fuel	2,274	987
Rent	-	20,656
Repairs - Others	-	62,964
Business promotion	155,851	407,296
Office maintenance	1,658	143,200
Insurance	79,360	6,676
Printing and stationery	27,457	138,889
Rates and taxes excluding Taxes on Income	-	37,378
Bank charges & commission	570,506	250,491
Miscellaneous expenses	-	405,613
Net Loss on foreign currency transaction and translation (other than consi	451,222	1,004,376
	<u>19,170,486</u>	<u>7,745,324</u>
<b>23 FINANCE COST</b>		
Interest Expenses	841,873	589,946
	<u>841,873</u>	<u>589,946</u>



**24 Related Party Transactions**

in Rupees

	Mar 31, 2024	Mar 31, 2023
<b><u>Balance Due to/ From the Company</u></b>		
Payables-Trade Debts	62,518,872	121,296,781
Accruals	13,679,663	0
Receivables-Trade debts	14,026,084	14,447,149
Loans and Advances	-	-
Other Current Liabilities	-	229,137
Investment by the Parent Company		
Advances received	1,941,584	-
<b><u>Transactions</u></b>		
Reimbursements to the Company	-	-
Reimbursements by the Company	1,688,312	-
Software Development Service Income	6,959,979	14,101,667
Software Development Service Expenses	13,685,979	181,896

**25 Prior periods Comparatives**

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

