Softsol Resources, Inc.

Financial Statements and
Report of Independent Auditors
March 31, 2025

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholder
of Softsol Resources, Inc.

Opinion

We have audited the accompanying financial statements of Softsol Resources, Inc., which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Softsol Resources, Inc. as of March 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Softsol Resources, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Softsol Resources, Inc.'s ability to continue as a going concern for at least twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless management either intends to liquidate Softsol Resources, Inc. or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Softsol Resources, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Softsol Resources, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Chugh CPAs LLP

Chugh CPAs, LLP
Cerritos, CA
May 9, 2025

Softsol Resources, Inc.
Statements of Financial Position
March 31, 2025 and 2024

	March 31, 2025	March 31, 2024
ASSETS		
Non-current assets		
Property and equipment, net	$ 84,531	$ 107,076
Intangible assets,net	3,000	5,000
Goodwill	56,871	56,871
Deferred tax assets	194,719	346,788
Security deposits	4,329	3,205
Receivable from related parties	2,176,781	1,747,636
Total non-current assets	2,520,231	2,266,576
Current assets		
Trade and other receivables, net	1,559,253	475,267
Unbilled revenue	521,701	848,371
Short-term receivable	67,458	67,458
Investments	14,793,656	12,265,894
Investments in another entities	300,000	300,000
Cash and cash equivalents	472,798	450,638
Prepaids and other assets	54,024	62,197
Total current assets	17,768,890	14,469,825
Total assets	$ 20,289,121	$ 16,736,401
LIABILITIES		
Current liabilities		
Revolving line of credit	$ -	$ 1,027,455
Trade and other payables	414,789	404,261
Loans from Softsol India	8,800,000	8,800,000
Employee benefit obligation	1,891	7,109
Vehicle loan payable, current portion	-	3,154
Provisions and other liabilities	4,488,028	378,149
Total current liabilities	13,704,708	10,620,128
Non-current liabilities		
Deferred tax liabilities	30,961	3,831
Vehicle loan payable, net of current portion	-	6,846
Total noncurrent liabilities	30,961	10,677
Total liabilities	13,735,669	10,630,805
EQUITY		
Share capital	1,312,000	1,312,000
Retained earnings	5,241,452	4,793,596
Total equity	6,553,452	6,105,596
Total liabilities & equity	$ 20,289,121	$ 16,736,401

See Notes to Financial Statements

Softsol Resources, Inc.
Statements of Profit and Loss and Other Comprehensive Income
Years Ended March 31, 2025 and 2024

	March 31, 2025	March 31, 2024
Revenue	$ 11,239,142	$ 6,206,644
Less: Cost of providing services	(9,958,731)	(5,252,575)
Gross profit	1,280,411	954,069
Operating expenses:		
Selling expenses	(249,950)	(221,386)
Administrative expenses	(1,053,508)	(500,579)
Total operating expenses	(1,303,458)	(721,965)
Operating (loss) income	(23,047)	232,103
Other income (expenses):		
Investment income	209,451	186,042
Gain on investment	662,089	320,627
Finance costs	(552,565)	(616,829)
Interest income	104,192	84,909
Other income (expenses)	7,562	(45,370)
Other income (expenses), net	430,729	(70,621)
Profit before provision for income tax	407,682	161,482
Less: Provision for income tax expense	(186,803)	(81,288)
Net profit	220,879	80,194
Other comprehensive income:		
Unrealized gains on investment, net	226,977	2,167,020
Net comprehensive income	$ 447,856	$ 2,247,214

Softsol Resources, Inc.
Statements of Changes in Equity
Years Ended March 31, 2025 and 2024

	Share Capital	Retained Earnings	Total
Balances at March 31, 2023	$ 1,312,000	$ 2,546,382	$ 3,858,382
Net comprehensive income for the period	-	2,247,214	2,247,214
Balances at March 31, 2024	1,312,000	4,793,596	6,105,596
Net comprehensive income for the period	-	447,856	447,856
Balances at March 31, 2025	$ 1,312,000	$ 5,241,452	$ 6,553,452

Softsol Resources, Inc.
Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Net comprehensive income	$ 447,856	$ 2,247,214
Adjustments for:		
Depreciation and amortization	24,545	23,179
Loss on worthless investment in another entities	-	133,333
Unrealized gains/loss on investment, net	(226,977)	(2,167,020)
Deferred taxes	179,199	80,213
Changes in:		
Trade and other receivables	(1,083,986)	(49,608)
Unbilled revenue	326,670	(360,499)
Prepaids and other assets	8,173	29,875
Security deposits	(1,124)	-
Trade and other payables	10,528	(17,565)
Employee benefit obligation	(5,218)	(3,534)
Provision and other liabilities	4,109,879	230,017
Net cash provided by operating activities	3,789,545	145,605
Cash flows from investing activities		
Investments	(2,300,785)	(507,715)
Acquisition of property and equipment	-	(98,181)
Net cash used in investing activities	(2,300,785)	(605,896)
Cash flows from financing activities		
Receivable - nontrade	(429,145)	(207,572)
Borrowings from revolving line of credit	-	(978,234)
Payments to revolving line of credit	(1,027,455)	971,125
Payments to vehicle loan	(10,000)	-
Loans from Softsol India	-	-
Net cash used in financing activities	(1,466,600)	(214,681)
Net change in cash and cash equivalents	22,160	(674,972)
Cash and cash equivalent at the beginning of year	450,638	1,125,610
Cash and cash equivalents at end of year	$ 472,798	$ 450,638
Supplemental information:		
Income tax paid	$ 289	$ 326
Interest paid	$ 526,702	$ 613,670
Noncash information:		
Vehicle acquisition through vehicle loan	$ -	$ 10,000

Note 1 – Reporting entity

Softsol Resources, Inc. dba Softsol Inc. ("Company") was incorporated in California on January 11, 1993. The Company is a provider of E-commerce, network technology, internet infrastructure and other special technology areas. Its IT services include application development, system integration, IT consulting and staffing, IT project management, domestic and offshore outsourcing. The Company has diverse client-based ranging from large customers to small high-tech start-up companies. The Company's vision is to create a global enterprise by taking a leading role in the revolution in Information Technology to provide highly competent and innovative software solutions.

On September 12, 2024, the Company's former parent, Softsol India Limited, entered into a demerger agreement under which ownership of the Company was transferred to a new entity, Covance Softsol Limited, based in India. The agreement specifies an effective date of April 1, 2023, and the legal execution took place in September 2024. The promoters of Covance Softsol Limited are the same stockholders as those of Softsol India Limited. There were no changes to the Company's operations or key management personnel, and the transaction had no impact on the Company's financial position or performance.

Note 2 – Basis of preparation

The financial statements are presented in US dollar, which is the Company's functional currency.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Interpretations (collectively IFRSs).

Note 3 – Summary of significant accounting policies

Property and equipment
All property, plant and equipment assets are stated at cost less accumulated depreciation.

Depreciation of property, plant and equipment is provided to write off the cost, less residual value, on straight line basis over the estimated useful lives as follows:

Furniture and fixtures	7 years
Office equipment	5 years
Automobile	5 years
Software	5 years

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are included in profit or loss.

The useful lives and residual values of items of property and equipment are assessed annually in order for depreciation to be provided. The actual lives and residual values of assets may vary depending on several factors. Consideration has to be given to whether components of an asset have different useful lives to the rest of the asset, whether such a component forms a significant part of the asset's original cost, and whether subsequent expenditure on assets is to be treated as maintenance or to be capitalized.

Impairment of non- financial assets
The Company assesses at each reporting date whether there is any indication that its non-financial assets may be impaired. When such indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs. An impairment loss is recognized in profit or loss if the carrying amount of the asset exceeds its recoverable amount.

Intangible assets/Goodwill
The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible assets.

The useful life used for the intangible assets -Domain name is 15 years. Amortization periods and methods are reviewed annually and adjusted if applicable.

Intangible assets (Goodwill) with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Investments
The Company substantially carries its investments in equity securities at fair value and subsequent unrealized gains and losses from changes in the fair values of these equity securities during the period are included in the statement of profit and loss.

The Company records its investment in another entity ("investee") under the cost method when the Company has no substantial influence over the investee and investment does not have readily determinable fair value. In assessing impairment, the Company evaluates whether an investment is impaired generally consists of whether an event or change in circumstances has occurred during the reporting period that may have a significant adverse effect on the fair value of the investment.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held on call with banks, investment in money market instruments and bank overdrafts.

Revenue recognition
The Company derives revenue primarily from information and technology services. Revenue is recognized when control of promised services is transferred to the customer.

The Company provides support services through:

- Milestone-based contracts, with revenue recognized at the point in time when each milestone is completed and accepted by the customer; and
- Time-and-materials contracts, with revenue recognized over time based on hours worked and materials supplied.

Amounts billed in advance of revenue recognition are recorded as contract liabilities (deferred revenue). Revenue earned but not yet billed is recorded as contract assets (unbilled receivables).

Receivables and Contract Balances
Trade receivables and contract assets (unbilled receivables) are initially measured at the transaction price.

The Company applies a simplified approach to estimate expected credit losses, recognizing lifetime expected losses on trade receivables and contract assets.

An allowance for credit losses is recorded when there is objective evidence that the amounts are impaired.

Contract liabilities represent payments received in advance of the Company satisfying its performance obligations and are recognized as revenue when services are delivered.

An allowance for credit losses of approximately $38,000 has been recognized as at 31 March 2025 (and 2024), based on lifetime expected credit losses assessed under the simplified approach. Credit risk is managed through ongoing customer credit evaluations and monitoring.

Income taxes

Taxation on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

The charge for deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realized, or the liability is settled.

Employee benefits

The Company operates defined contribution plan which is available to all eligible employees. The plan is funded by employees and employer contributions. There were no employer contributions for the years ended March 31, 2025 and 2024.

The Company also offers a voluntary flexible spending plan, where employees elect to have a portion of their salary deducted to reimburse eligible medical and childcare expenses. Accumulated employee contributions included in provisions and other liabilities were $3,456 and $3,288 as of March 31, 2025 and 2024, respectively.

The advances given to employees are for expenses which employees are required to present documentation and any amount not substantiated is refunded to the Company.

The Company provides paid vacation leave to certain employees of the Company. Vacation leave credits are expensed within the year and are not carried forward the following year, therefore, no accrual is recognized in the financial statements.

Provisions and other liabilities
Provisions are recognized when the Company has a present obligation from past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. When material, provisions are discounted to present value.

Trade and other payables
Trade and other payables are recognized at amortized cost. Where the effect of discounting is immaterial, trade payables with no stated interest rate are measured at original invoice amount.

Use of estimates
Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates is recognized prospectively.

Leases
The Company applies the short-term lease exemption to leases of machinery, equipment, and office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the low-value asset exemption for leases of assets considered to be of low value. Lease payments under these leases are recognized as an expense on a straight-line basis over the lease term. No right-of-use assets or lease liabilities are recognized for these leases.

Financial instruments
The Company's financial instruments include cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings. Financial instruments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method.

Financial assets such as cash and trade receivables are measured at amortized cost. Financial liabilities, including trade payables and borrowings, are also measured at amortized cost.

The Company is exposed to credit risk, liquidity risk, and market risk through its financial instruments. These risks are managed through established policies and ongoing monitoring to minimize potential adverse effects on the Company's financial position.

Subsequent event

The Company has evaluated subsequent events through May 9, 2025, the date which the financial statements were available to be issued.

Note 4 – Property and equipment, net

	March 31, 2025			
	Cost	Accumulated depreciation	Accumulated amortization	Carrying value
Office equipment	$ 130,291	$ (130,112)	$ -	$ 179
Automobile	231,400	(147,048)	-	84,352
Furniture and fixtures	8,483	(8,483)	-	-
Software	4,877	-	(4,877)	-
Total	$ 375,051	$ (285,643)	$ (4,877)	$ 84,531

	March 31, 2024			
	Cost	Accumulated depreciation	Accumulated amortization	Carrying value
Office equipment	$ 130,291	$ (129,204)	$ -	$ 1,087
Automobile	231,400	(125,411)	-	105,989
Furniture and fixtures	8,483	(8,483)	-	-
Software	4,877	-	(4,877)	-
Total	$ 375,051	$ (263,098)	$ (4,877)	$107,076

Depreciation expenses for the years ended March 31, 2025, and 2024 were approximately $22,500 and $21,200, respectively.

Note 5 – Intangible assets, net

	March 31, 2025	March 31, 2024
Softsol.com Domain Name	$ 30,000	$ 30,000
Accumulated amortization	(27,000)	(25,000)
Net	$ 3,000	$ 5,000

Amortization expenses for the years ended March 31, 2024, and 2023 were approximately $2,000 and $2,000, respectively.

Note 6 – Investments

The Company carries its investments at fair value. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date).

A fair value hierarchy provides for prioritizing inputs to valuation techniques used to measure fair value into three levels:

– Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
– Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Common stocks, mutual funds, and exchange-traded funds are valued at the closing price reported on the active market where the securities are traded.

March 31, 2025		Fair Value		
Description	Level 1	Level 2	Level 3	Tottal
Common stocks	$ 11,464,699	$ -	$ -	$ 11,464,699
Mutual funds	2,893,954	-	-	2,893,954
Pooled investments				
Exchange-traded funds	435,003	-	-	435,003
Total	$ 14,793,656	$ -	$ -	$ 14,793,656

March 31, 2024		Fair Value		
Description	Level 1	Level 2	Level 3	Tottal
Common stocks	$ 7,120,717	$ -	$ -	$ 7,120,717
Mutual funds	4,766,157	-	-	4,766,157
Pooled investments				
Exchange-traded funds	379,020	-	-	379,020
Total	$ 12,265,894	$ -	$ -	$ 12,265,894

As March 31, 2025 and 2024, common stocks and mutual funds totaled approximately $0 and $10,284,000, respectively, are pledged as collateral to secure the Company's revolving line of credit. See Note 10 - Revolving Line of Credit (under Loan Management Account).

Note 7 – Investments in another entities

The Company has no substantial influence over the investees and investments do not have readily determinable fair value, thus, accounted for under the cost method.

Note 8 – Acquisition/goodwill

In August 2021, the Company entered into share purchase agreement with Softsol Technologies, Inc. (STI), owned by Mr. Srinivasa Rao Madala, President of the Company, to acquire all shares of STI for a consideration of $200,000. Accordingly, goodwill of $6,871 was recognized. Further, in December 2021, STI was merged with the Company. As of March 31, 2023, an additional consideration of $50,000 was paid, leading to an increase in goodwill to a total of $56,871.

Note 9– Related party transactions

Loans from Softsol India Limited

On December 17, 2020, the Company signed a loan agreement with Softsol India Limited, its previous parent company prior to the demerger. The loan amount is up to $10,000,000. The interest rate is based on the average monthly SOFR (Secured Overnight Financing Rate) Plus 1%. The principal amount is due for repayment at the end of 10 years from date of disbursement and is allowed to pre-pay the loan at any point in time without any charges. The payment of interest is monthly, beginning April 7, 2021. The loan amount outstanding as of March 31, 2025 is $5,000,000.

On October 10, 2021, additional loan agreement was entered into between the Company and Softsol India Limited. A new loan amounts up to $5,000,000 with average monthly SOFR plus 1% per annum. The principal amount is due for repayment at the end of 10 years from the date of the loan. As of March 31, 2025, the loan amount outstanding is $3,800,000.

The average interest rate during the year ended March 31, 2025 was 5.90%, with interest expense amounting to approximately $519,320. For the year ended March 31, 2024, the average interest rate was 6.21%, with interest expense of approximately $548,000. Accrued interest as of March 31, 2025 totaled approximately $39,811 (2024: approximately $47,000), which is included in the provisions and other liabilities account.

The loan payable to Softsol India Limited was excluded from the demerger and ownership transfer, so the outstanding balance remains payable to Softsol India Limited. Except for the interest payments, which are now made to Covance Softsol India, all other terms and conditions of the loan remain unchanged following the demerger.

IT services provided by Parent Company

IT services were provided by the parent company during the year ended March 31, 2025, with total expenses recognized amounting to approximately $2,500,000. As of March 31, 2025, the outstanding payable balance relating to these services amounted to approximately $2,500,000.

Receivable from a related party

The Company entered into a loan agreement with a single limited liability company owned by an immediate family member of the President of the Company, for cash of $1,336,166 and the assignment of an investment in another entity of $411,470. The note is due on April 1, 2029, and bears interest at 5% per annum.

As of March 31, 2025 and 2024, the outstanding loan balance was $2,176,781 and $1,747,636, respectively. Accrued interest of $26,868 (2025) and $21,245 (2024) was included in prepaids and other assets.

Others

Included in the short-term receivables account are employee advances of $60,463 as of March 31, 2025 and 2024, respectively, and amounts due from the President of the Company of $6,995 as of March 31, 2025 and 2024, respectively.

Note 10 – Revolving line of credit (under Loan Management Account)

The Company maintains a Loan Management Account (LMA) with its brokerage, which includes a revolving line of credit and a term loan. The LMA is secured by the Company's cash, money accounts, and eligible securities. The maximum credit limit is capped at $5,400,000, subject to change at the lender's discretion.

As of March 31, 2025, there were no outstanding borrowings under either the revolving line of credit or the term loan. As of March 31, 2024, the outstanding balance on the revolving line of credit was $1,027,455, with no balance on the term loan.

Given the zero outstanding balance as of March 31, 2025, the Company considers the associated credit risk and financial impact to be immaterial.

Note 11 – Vehicle loan payable

In April 2024, the Company entered into a vehicle loan agreement to finance the acquisition of a vehicle. The principal amount was $10,000 with an interest rate of 5.29% per annum. Monthly payments of approximately $302 began on April 8, 2024, over a 36-month term. The loan was fully repaid by March 31, 2025.

As of March 31, 2024, the outstanding loan balance was $10,000, of which $6,846 was classified as noncurrent. The loan was secured by the vehicle. Interest was recognized using the effective interest method.

Note 12 – Provisions and other liabilities

	March 31, 2025	March 31, 2024
Accrued salaries and wages	$ 74,304	$ 55,439
Credit card liabilities	23,852	23,423
Federal income tax payable	6,804	6,804
Flexible spending payable	3,456	3,287
State income tax payable	380	275
Other accrued liabilities	79,811	288,921
Outsourced consulting fees payable	4,299,421	-
Total	$ 4,488,028	$ 378,149

Note 13 – Share capital

	March 31, 2025	March 31, 2024
Authorized common stocks of of $100 par value	100,000,000	100,000,000
Issued 13,120 Common stock of $100 par value	$ 1,312,000	$ 1,312,000

Note 14 – Concentration of risks

Cash

Cash is held with major financial institutions in the United States. Deposits may exceed the $250,000 Federal Deposit Insurance Corporation insurance limit. The Company has not experienced losses and believes credit risk is minimal as funds are held with high-quality institutions.

Trade receivable and sales

The Company performs ongoing credit evaluations and records allowances for expected credit losses as needed. Generally, accounts receivable are unsecured.

Sales to one major customer represented approximately 93% of total revenue for the year ended March 31, 2025, with related accounts receivable comprising 89% of the total balance as of that date. For the prior year, this customer accounted for 70% of revenue and 47% of accounts receivable.

Liquidity risk
Liquidity risk is managed by maintaining adequate banking facilities and monitoring cash flows.

Market risk
The Company's investments are subject to market risks, including interest rate and credit risks, which could affect their fair value.

Note 15 – Revenue

Revenue Type	March 31, 2025	March 31, 2024
Milestone-based	$ 4,955,647	$ -
Time-and-material contracts	6,283,495	6,206,644
	$ 11,239,142	$ 6,206,644

Remaining performance obligations
As of 31 March 2025, unsatisfied performance obligations under milestone contracts amounted to approximately $4,870,000, expected to be recognized as revenue within the next 12 months.

Milestone revenue with payback clause
During the year, the Company entered into a customer agreement that includes milestone-based payments tied to specific performance goals. One of these milestone payments includes a clause that may require the Company to repay part of the amount if certain conditions are not met.

The Company recognized revenue based on the estimated amount it expects to retain, after considering the risk that some of it might need to be repaid. Management assessed the current performance and the likelihood of meeting the milestone conditions.

As a result, revenue of approximately $4,956,000 was recorded for the year ended March 31, 2025, after reducing it by $434,000 to reflect the estimated portion that may be subject to repayment.

Provision for potential repayment
During the year, the Company recognized a provision of $434,000 for the estimated repayment obligation related to the milestone payment. This represents the full balance of the provision as there was no opening balance and no amounts were used or reversed during

the year. The amount was determined based on management's assessment that repayment is probable and can be reasonably estimated.

Note 16 – Lease

The Company leases office space under a non-cancellable operating lease. In October 2021, the Company entered into a lease for premises at 42840 Christy Street, Fremont, Suite 231, from December 1, 2021 to November 30, 2022, with a base rent of $3,205 per month plus a share of operating expenses.

In August 2022, the lease was renewed from December 1, 2022 to November 30, 2023, at a monthly rent of $3,333 plus a share of operating expenses. This lease was further extended in September 2023 through November 30, 2024, under the same terms.

In November 2024, the lease was extended again from December 1, 2024 to November 30, 2025, at a monthly rent of $3,153 plus a share of operating expenses. As of March 31, 2025, the Company is committed to future lease payments totaling $25,224 under this lease for the period from April 1, 2025 to November 30, 2025.

Note 17 – Cost of providing services and expenses

Cost of providing services:

	March 31, 2025	March 31, 2024
Consulting outsourced	$ 6,209,409	$ 2,166,268
Insurance - medical & dental	70,376	32,315
Legal & immigration - Consultants	18,000	24,960
Rebate charges	-	4,553
Salaries and wages - Consultants	3,407,527	2,815,867
Taxes - payroll - Consultants	246,752	206,600
Travel - Consultants	6,667	2,012
	$ 9,958,731	$ 5,252,575

Selling expenses:

	March 31, 2025	March 31, 2024
Insurance	$ 42,929	$ 3,646
Recruiting	14,820	17,708
Salaries & wages	130,000	130,000
Taxes - payroll	8,030	9,563
Miscellaneous	54,171	60,469
	$ 249,950	$ 221,386

Administrative expenses:

	March 31, 2025	March 31, 2024
Auto expense	$ 14,384	$ 12,413
Bank charges	125,995	96,554
Depreciation & amortization	24,545	23,179
Dues & subscriptions	25,453	22,741
Insurance	21,098	29,548
Officer's salaries & wages	63,400	51,600
Outside services	18,413	18,084
Payroll taxes	40,674	13,437
Professional fees	140,842	55,077
Rent	43,285	41,853
Salaries & wages	378,622	84,540
Taxes, permits & licenses	13,694	7,735
Telephone	35,218	13,819
Travel	50,765	11,050
Miscellaneous	57,120	18,947
	$ 1,053,508	$ 500,579

Note 18 - Income taxes

The components of income tax expense for the year ended March 31, 2025 and 2024 are as follows:

	March 31, 2025		
	Current	Deferred	Total
State	$ 1,180	$ 40,215	$ 41,395
Federal	6,423	138,985	145,408
Total	$ 7,603	$ 179,200	$ 186,803

	March 31, 2024		
	Current	Deferred	Total
State	$ 1,075	$ 26,339	$ 27,414
Federal	-	53,874	53,874
Total	$ 1,075	$ 80,213	$ 81,288

The components of deferred tax assets and liabilities at March 31, 2025 and 2024, are as follows:

	March 31, 2025	March 31, 2024
Deferred tax assets		
Bad debt	$ 11,419	$ 11,419
Donation	1,347	1,224
Capital loss	83,360	281,987
Net operating loss carryover	98,345	31,567
State income tax – current	248	288
State income tax - deferred	-	20,303
	194,719	346,788
Less: Allowance	-	-
Net deferred tax asset	$ 194,719	$ 346,788
Deferred tax liabilities		
Depreciation - Federal	$ 15,571	$ 3,705
Depreciation - State	3,532	126
State income tax - deferred	11,858	-
	$ 30,961	$ 3,831