Softsol Resources, Inc.

Financial Statements and
Report of Independent Auditors
March 31, 2026

Softsol Resources, Inc.
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March 31, 2026

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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, 2026 and 2025, 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, 2026 and 2025, 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 15, 2026

Softsol Resources, Inc.
Statements of Financial Position
March 31, 2026 and 2025

	March 31, 2026	March 31, 2025
ASSETS		
Non-current assets		
Property and equipment, net	$ 114,767	$ 84,531
Intangible assets,net	1,000	3,000
Goodwill	56,871	56,871
Deferred tax assets	93,607	194,719
Security deposits	4,329	4,329
Receivable from related parties	2,752,206	2,176,781
Total non-current assets	3,022,780	2,520,231
Current assets		
Trade and other receivables, net	2,009,264	1,559,253
Unbilled revenue	565,680	521,701
Short-term receivable	67,458	67,458
Investments	19,937,486	14,793,656
Investments in another entities	300,000	300,000
Cash and cash equivalents	696,420	472,798
Prepaids and other assets	76,506	54,024
Total current assets	23,652,814	17,768,890
Total assets	$ 26,675,594	$ 20,289,121
LIABILITIES		
Current liabilities		
Revolving line of credit	$ 4,350,540	$ -
Trade and other payables	2,864,767	414,789
Loans from Parent Company	8,800,000	8,800,000
Employee benefit obligation	6,192	1,891
Provisions and other liabilities	947,136	4,488,028
Total current liabilities	16,968,635	13,704,708
Non-current liabilities		
Deferred tax liabilities	69,937	30,961
Total noncurrent liabilities	69,937	30,961
Total liabilities	17,038,572	13,735,669
EQUITY		
Share capital	1,312,000	1,312,000
Retained earnings	8,325,022	5,241,452
Total equity	9,637,022	6,553,452
Total liabilities & equity	$ 26,675,594	$ 20,289,121

Softsol Resources, Inc.
Statements of Profit and Loss and Other Comprehensive Income
Years Ended March 31, 2026 and 2025

	March 31, 2026	March 31, 2025
Revenue	$ 12,331,555	$ 11,239,142
Less: Cost of providing services	(11,119,987)	(9,958,731)
Gross profit	1,211,568	1,280,411
Operating expenses:		
Selling expenses	(213,944)	(249,950)
Administrative expenses	(795,459)	(1,053,508)
Total operating expenses	(1,009,403)	(1,303,458)
Operating (loss) income	202,165	(23,047)
Other income (expenses):		
Investment income	374,697	209,451
Gain on investment	280,877	662,089
Finance costs	(555,372)	(552,565)
Interest income	136,134	104,192
Other income	1,602	7,562
Other income, net	237,938	430,729
Profit before provision for income tax	440,103	407,682
Less: Provision for income tax expense	(142,947)	(186,803)
Net profit	297,156	220,879
Other comprehensive income:		
Unrealized gains on investment, net	2,786,414	226,977
Net comprehensive income	$ 3,083,570	$ 447,856

Softsol Resources, Inc.
Statements of Changes in Equity
Years Ended March 31, 2026 and 2025

	Share Capital	Retained Earnings	Total
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
Net comprehensive income for the period	-	3,083,570	3,083,570
Balances at March 31, 2026	$ 1,312,000	$ 8,325,022	$ 9,637,022

Softsol Resources, Inc.
Statements of Cash Flows
Years Ended March 31, 2026 and 2025

	March 31, 2026	March 31, 2025
Cash flows from operating activities		
Net comprehensive income	$ 3,083,570	$ 447,856
Adjustments for:		
Depreciation and amortization	32,615	24,545
Unrealized gains on investment, net	(2,786,414)	(226,977)
Deferred taxes	140,088	179,199
Changes in:		
Trade and other receivables	(450,011)	(1,083,986)
Unbilled revenue	(43,979)	326,670
Prepaids and other assets	(22,482)	8,173
Security deposits	-	(1,124)
Trade and other payables	2,449,978	10,528
Employee benefit obligation	4,301	(5,218)
Provision and other liabilities	(3,540,892)	4,109,879
Net cash (used in)/provided by operating activities	(1,133,226)	3,789,545
Cash flows from investing activities		
Investments	(2,357,416)	(2,300,785)
Acquisition of property and equipment	(60,851)	-
Net cash used in investing activities	(2,418,267)	(2,300,785)
Cash flows from financing activities		
Receivable - nontrade	(575,425)	(429,145)
Borrowings from revolving line of credit	5,820,688	-
Payments to revolving line of credit	(1,470,148)	(1,027,455)
Payments to vehicle loan	-	(10,000)
Net cash provided by/(used in) financing activities	3,775,115	(1,466,600)
Net change in cash and cash equivalents	223,622	22,160
Cash and cash equivalent at the beginning of year	472,798	450,638
Cash and cash equivalents at end of year	$ 696,420	$ 472,798
Supplemental information:		
Income tax paid	$ 383	$ 289
Interest paid	$ 537,586	$ 526,702

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 ("SIL"), entered into a demerger agreement under which ownership of the Company was transferred to a new entity, Covance Softsol Limited ("Covance"), based in India. The Company became a direct subsidiary of Covance. The agreement specifies an effective date of April 1, 2023, and the legal execution took place in September 2024. The promoters of Covance are the same stockholders as those of SIL. 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 2026 (and 2025), 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, 2026 and 2025.

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 $4,924 and $3,456 as of March 31, 2026 and 2025, 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 15, 2026, the date which the financial statements were available to be issued.

Note 4 – Property and equipment, net

	March 31, 2026			
	Cost	Accumulated depreciation	Accumulated amortization	Carrying value
Office equipment	$ 12,213	$ (3,083)	$ -	$ 9,130
Automobile	280,923	(175,286)	-	105,637
Total	$ 293,136	$ (178,369)	$ -	$ 114,767

	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

Depreciation expenses for the years ended March 31, 2026, and 2025 were approximately $30,600 and $22,500, respectively.

Note 5 – Intangible assets, net

	March 31, 2026	March 31, 2025
Softsol.com Domain Name	$ 30,000	$ 30,000
Accumulated amortization	(29,000)	(27,000)
Net	$ 1,000	$ 3,000

Amortization expenses for the years ended March 31, 2026, and 2025 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, 2026	Fair Value			
Description	Level 1	Level 2	Level 3	Tottal
Common stocks	$ 16,119,994	$ -	$ -	$ 16,119,994
Mutual funds	3,354,657	-	-	3,354,657
Pooled investments				
Exchange-traded funds	357,513	-	-	357,513
Alternative investments	-	-	105,322	105,322
Total	$ 19,832,164	$ -	$ 105,322	$ 19,937,486

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

As March 31, 2026 and 2025, common stocks and mutual funds totaled approximately $18 million and $0, 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 Parent Company

On December 17, 2020, the Company signed a loan agreement with SIL, 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, 2026 is $5,000,000.

On October 10, 2021, additional loan agreement was entered into between the Company and SIL. 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, 2026, the loan amount outstanding is $3,800,000.

The average interest rate during the year ended March 31, 2026 was 5.08%, with interest expense amounting to approximately $447,000. For the year ended March 31, 2025, the average interest rate was 5.90%, with interest expense of $519,320. Accrued interest as of March 31, 2026 totaled $34,757 (2025: $39,811), which is included in the provisions and other liabilities account.

Under the approved demerger scheme (see Note 1), the rights and obligations relating to the loan arrangement with SIL were transferred to Covance, new parent company, by operation of law. Accordingly, the outstanding loan balance is payable by the Company to Covance under substantially the same terms and conditions as the original loan arrangement.

Management believes the transfer of the loan arrangement and related payment obligations was effected in compliance with applicable regulatory requirements.

IT services provided by Parent Company

IT services were provided by the parent company during the year ended March 31, 2026 and 2025, with total expenses recognized amounting to approximately $4,950,000 and $2,500,000, respectively. As of March 31, 2026 and 2025, the outstanding payable balance related to these services amounted to approximately $2,500,000 and $2,500,000, respectively, and is included within trade and other payables in the accompanying statements of financial position.

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 $2,340,686 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, 2026 and 2025, the outstanding loan balance was $2,752,156 and $2,176,781, respectively. Accrued interest of $34,171 (2026) and $26,868 (2025) 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, 2026 and 2025, and amounts due from the President of the Company of $6,995 as of March 31, 2026 and 2025.

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 approximately $7.4 million, subject to change at the lender's discretion.

As of March 31, 2026, the outstanding balance on the revolving line of credit was $4,350,540, with no balance on the term loan. As of March 31, 2025, there were no outstanding borrowings under either the revolving line of credit or the term loan.

The Company manages liquidity risk by maintaining adequate cash balances and access to credit facilities. As of March 31, 2026, the Company had available borrowing capacity of approximately $3 million under its revolving credit facility.

Note 11 – Provisions and other liabilities

	March 31, 2026	March 31, 2025
Accrued salaries and wages	$ 76,253	$ 74,304
Payroll taxes payable	34,332	-
Credit card liabilities	20,149	23,852
Federal income tax payable	8,464	6,804
Flexible spending payable	4,924	3,456
State income tax payable	471	380
Other accrued liabilities	52,544	79,811
Outsourced consulting fees payable	750,000	4,299,421
Total	$ 947,136	$ 4,488,028

Note 12 – Share capital

	March 31, 2026	March 31, 2025
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 13 – 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 two customers accounted for approximately 87% of total revenue for the year ended March 31, 2026, and the related accounts receivable represented approximately 95% of total accounts receivable at March 31, 2026. For the year ended March 31, 2025, one customer accounted for approximately 93% of total revenue, with related accounts receivable representing approximately 89% of total accounts receivable at March 31, 2025.

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 14 – Revenue

Revenue Type	March 31, 2026	March 31, 2025
Milestone-based	$ 4,940,019	$ 4,955,647
Time-and-material contracts	7,391,536	6,283,495
	$ 12,331,555	$ 11,239,142

Remaining performance obligations
As of 31 March 2026, unsatisfied performance obligations under milestone contracts amounted to $0.

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.

For the years ended March 31, 2026 and 2025, the Company recorded revenue of approximately $4,940,000 and $4,956,000, respectively. These amounts are presented net of estimated repayment liabilities of $316,000 and $434,000, respectively, which represent the estimated portion that may be subject to repayment.

Provision for potential repayment
As of March 31, 2026 and 2025, the Company recognized a provision of $750,000 and $434,000, respectively, for the estimated repayment obligation related to the milestone payment. The amount was determined based on management's assessment that repayment is probable and can be reasonably estimated.

Note 15 – Leases

The Company leases office spaces under a non-cancellable operating lease agreements for premises at 42840 Christy Street, Fremont, Suite 231 and Suite 230. The original leases commenced on December 1, 2021 and January 1, 2025, respectively, and have been renewed annually and extended through November 30, 2026 and December 31, 2026, with changes in the monthly base rent upon each renewal. The current monthly base rent is $3,153 for Suite 231 and $1,124 for Suite 230, plus a share of operating expenses.

Note 16 – Cost of providing services and expenses

Cost of providing services:

	March 31, 2026	March 31, 2025
Consulting outsourced	$ 6,982,923	$ 6,209,409
Insurance - medical & dental	60,365	70,376
Legal & immigration - Consultants	18,960	18,000
Salaries and wages - Consultants	3,778,637	3,407,527
Taxes - payroll - Consultants	277,882	246,752
Travel - Consultants	1,220	6,667
	$ 11,119,987	$ 9,958,731

Selling expenses:

	March 31, 2026	March 31, 2025
Insurance	$ 42,295	$ 42,929
Recruiting	14,920	14,820
Salaries & wages	132,154	130,000
Taxes - payroll	7,876	8,030
Miscellaneous	16,699	54,171
	$ 213,944	$ 249,950

Administrative expenses:

	March 31, 2026	March 31, 2025
Auto expense	$ 16,513	$ 14,384
Bank charges	178,379	125,995
Depreciation & amortization	32,616	24,545
Dues & subscriptions	47,787	25,453
Insurance	14,851	21,098
Officer's salaries & wages	92,880	63,400
Outside services	18,329	18,413
Payroll taxes	22,242	40,674
Professional fees	39,588	140,842
Rent	51,282	43,285
Repairs & maintenance	200	-
Salaries & wages	101,486	378,622
Taxes, permits & licenses	15,431	13,694
Telephone	48,093	35,218
Travel	60,022	50,765
Miscellaneous	55,760	57,120
	$ 795,459	$ 1,053,508

Note 17 - Income taxes

The components of income tax expense for the year ended March 31, 2026 and 2025 are as follows:

	March 31, 2026		
	Current	Deferred	Total
State	$ 1,271	$ 35,841	$ 37,112
Federal	1,588	104,247	105,835
Total	$ 2,859	$ 140,088	$ 142,947

	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

The components of deferred tax assets and liabilities at March 31, 2026 and 2025, are as follows:

	March 31, 2026	March 31, 2025
Deferred tax assets		
Bad debt	$ 11,419	$ 11,419
Donation	48	1,347
Capital loss	-	83,360
Net operating loss carryover	81,873	98,345
State income tax – current	267	248
	93,607	194,719
Less: Allowance	-	-
Net deferred tax asset	$ 93,607	$ 194,719
Deferred tax liabilities		
Depreciation - Federal	$ 21,892	$ 15,571
Depreciation - State	3,107	3,532
State income tax - deferred	44,938	11,858
	$ 69,937	$ 30,961