



N R KRISHNAMOORTHY & CO

CHARTERED ACCOUNTANTS

Phone : 044 24351045, 24351046
044 48575115
Cell : 98410 24004, 98400 24004
E-mail : krishnamoorthy_nr@yahoo.co.in

BG2, Guru Parasakthi Apartments,
No. 16A/18, 45th Street,
Nanganallur, Chennai - 600 061
India

Ref. :

Date :

SPECIAL PURPOSE AUDIT REPORT

Report on the Audit of the Special Purpose Consolidated Financial Statements Opinion

We have audited the Special Purpose Consolidated IGAAP Financial Statements of M/s. ZORTECH SOLUTIONS INC (CANADA) ("the Company") and its Subsidiary M/s Zortech Solutions Inc, USA. which comprise the balance sheet as at March 31, 2025, and the statement of Profit and Loss and the statement of cash flows for the period from 1st April 2024 to 31st March 2025 and notes to the Special Purpose Consolidated IGAAP Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Consolidated IGAAP Financial Statements") as required by Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated IGAAP Financial Statements are prepared in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and of the loss and its cash flows for the period April 2024 to March 2025.

Basis for Opinion

We conducted our audit of the Special Purpose Consolidated IGAAP Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013 (-the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Consolidated IGAAP Financial Statements' 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 together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules thereunder, 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 audit opinion on the Special Purpose Consolidated IGAAP Financial Statements.



Emphasis of Matter Paragraph

We draw attention to Notes to the Special Purpose Consolidated IGAAP Financial Statements, which describes the purpose and basis of accounting. The Special Purpose Consolidated IGAAP Financial Statements have been prepared by the Company solely to assist M/s. Methodhub Consulting Inc, (USA) for its consolidation purpose and to comply with the requirements under Special Purpose reporting. As a result, the Special Purpose Consolidated IGAAP Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties. As a result, the Special Purpose Consolidated IGAAP Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013. The Special Purpose Consolidated IGAAP Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Statements of parent company and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent. We have no responsibility to update this report after for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.

Responsibilities of the Management for Special Purpose Consolidated IGAAP Financial Statements

The Company's management and Board of Directors are responsible for preparation of Special Purpose Consolidated IGAAP Financial Statements that gives a true and fair view of the state of affairs, financial position, financial performance and cash flows of the Company in accordance with the basis of preparation as set out in Notes to the Special Purpose Consolidated IGAAP Financial Statements.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,



In preparing the Special Purpose Consolidated IGAAP Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Consolidated IGAAP Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated IGAAP Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Special Purpose Consolidated IGAAP Financial Statements.

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

- (a) Identify and assess the risks of material misstatement of the Special Purpose Consolidated IGAAP Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 entity's internal control.



- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures Special Purpose Consolidated IGAAP Financial Statements made by management.
- (d) 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 auditors' report to the related disclosures in Special Purpose Consolidated IGAAP Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- (e) Evaluate the overall presentation, structure and content of the Special Purpose Consolidated IGAAP Financial Statements, including the disclosures, and whether the Special Purpose Consolidated IGAAP Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, related safeguards.



N R KRISHNAMOORTHY & CO
CHARTERED ACCOUNTANTS

Restriction on distribution or use

This report is intended solely for the information of the Company's board of directors for their internal use and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's board of directors, for our audit work, for this report, or the opinions we have formed.

For N R Krishnamoorthy & Co

Chartered Accountants

ERN: 001492S

N R Krishnamoorthy, FCA
Partner

Membership No: 020638

UDIN: 25020638BMLCDA7347



Place: Chennai

Date: 16.07.2025

Zortech Solutions Inc
2600, Skymark Avenue, Unit 104 Building 7
Mississauga ontario, Canada L4W5B2
Consolidated Balance Sheet as at 31st March, 2025

(In Rs '000)

PARTICULARS	Notes	As at 31st March 2025
I. EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	2	6
(b) Reserves and Surplus	3	18,550
2 Non Current Liabilities		
(a) Long-term Borrowings	4	43,754
(b) Deferred Tax Liabilities (Net)		-
(c) Long Term Provisions		-
3 Current Liabilities		
(a) Short term Borrowings	5	40,036
(b) Trade Payables		-
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	6	14,352
(c) Other current liabilities	7	44,786
(d) Short-term Provisions		-
TOTAL		1,61,484
II ASSETS		
1. Non-current assets		
(a) Property, Plant and Equipment and Intangible Assets		
(i) Property, Plant and Equipment		240
(ii) Intangible Assets		-
(b) Non-Current Investments		-
(c) Other Non Current Assets	8	4,734
2. Current assets		
(a) Inventories		-
(b) Trade Receivables	9	1,31,403
(c) Cash and Cash Equivalents	10	4,724
(d) Short-Term Loans and Advances	11	4,817
(e) Other Current Assets	12	15,566
TOTAL		1,61,484

The Accompanying Significant Accounting Policies and Notes to Standalone Financial Statements are an Integral part of the Financial Statements.

As per our Report of Even date
For N R KRISHNAMOORTHY & CO
Chartered Accountants
FRN: 001492S

N R Krishnamoorthy
Partner
Membership No. 020638



UDIN : 25020638BMLCDA7347

Date: 16-07-2025
Place: Chennai

For and on behalf of the Board of Directors
Zortech Solutions Inc

N. Ahobilam *Christopher Kuhn*
Ahobilam Nagasundaram **Christopher Kuhn**
Director Director

Zortech Solutions Inc
2600, Skymark Avenue, Unit 104 Building 7
Mississauga ontario, Canada L4W5B2
Consolidated Statement of Profit and Loss for the Year ended 31st March 2025

(In Rs. '000)

	Particulars	Notes	For the year ended 31st March 2025
I.	<u>INCOME</u>		
	Revenue from Operations	13	5,92,156
	Other Income		-
	Total Income		5,92,156
II.	<u>EXPENSES</u>		
	Direct Cost	14	5,45,651
	Employee Benefits Expense	15	22,540
	Finance Cost	16	13,003
	Depreciation and Amortization Expense		61
	Other Expenses	17	15,803
	Total Expenses		5,97,058
III.	Profit before Exceptional and Extraordinary items and Tax		(4,902)
	Exceptional and Extraordinary Items		-
IV.	Profit before tax		(4,902)
V.	<u>Tax expense:</u>		
	Current Tax		-
	Deferred Tax		-
	Profit after tax		(4,902)

The Accompanying Significant Accounting Policies and Notes to Standalone Financial Statements are an Integral part of the Financial Statements.

As per our Report of Even date
For N R KRISHNAMOORTHY & CO
Chartered Accountants
FRN: 001492S

N R Krishnamoorthy
Partner
Membership No. 020638



UDIN: 25020638BMLCDA7347

Date: 16-07-2025
Place: Chennai

For and on behalf of the Board of Directors
Zortech Solutions Inc

N. Ahobilam
Ahobilam Nagasundaram
Director

Christopher T. Kuhn
Christopher Kuhn
Director

Zortech Solutions Inc
2600, Skymark Avenue, Unit 104 Building 7
Mississauga ontario, Canada L4W5B2
Consolidated Cash flow statement

(In Rs. '000)

Particulars	For the year ended 31st March 2025
Cash Flow from operating activities	
Profit before tax	(4,902)
<i>Adjustments:</i>	
Depreciation and amortization	61
Interest on Deposits	-
Write Back	-
Interest Expenses	167
	(4,674)
<i>Adjustments:</i>	
(Increase)/decrease in Inventories	-
(Increase)/decrease in Trade receivables	(31,219)
(Increase)/decrease in Short Term Loans and Advances	(4,817)
Increase/(decrease) in Trade payables	7,252
Increase/(decrease) in Short Term Borrowing	36,890
Increase/(decrease) in Other Current Assets	7,715
Increase/(decrease) in Other Current Liabilities	(19,626)
Cash generated from operations	(8,479)
Income taxes paid (Net of deferred tax)	-
Net cash provided/(used) by operating activities	(8,479)
Cash flow from investing activities	
Purchase of Property, Plant and Equipment and Intangible Asset	-
Investment in Wholly Owned Subsidiary	-
Interest on Deposits	-
Increase/(decrease) in Non-current investments	-
Net cash provided/(used) by investing activities	-
Cash flow from financing activities	
Proceeds from Issue of Equity Shares	-
Finance cost paid	(167)
(Increase)/decrease in Other Non-Current Assets	(4,734)
Increase/(decrease) in Non-Current Liabilities	(72)
Net cash provided/(used) by financing activities	(4,973)
Net increase/(decrease) in cash and cash equivalents	(13,452)
Cash and Cash equivalents at the beginning of the Year	18,176
Cash and Cash equivalents at the end of the Year	4,724

Notes to Cash Flow Statement

a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 (AS -3) on Cash Flow Statements

b. Cash and Cash Equivalents Comprises of

2024-25

Balances with Banks

In Current Account

4,724

Cash on Hand

Cash and Cash Equivalents in Cash Flow Statement

4,724

c. Figures in brackets indicate Cash outgo.

As per our Report of Even date

For N R KRISHNAMOORTHY & CO

Chartered Accountants

FRN: 0014925

For and on behalf of the Board of Directors

Zortech Solutions Inc

N R Krishnamoorthy
Partner

Membership No. 020638

UDIN: 25020638BMECDA7347

Date: 16-07-2025

Place: Chennai



Ahobilam Nagasundaram
Director

Christopher Kuhn
Director

Zortech Solutions Inc
2600, Skymark Avenue, Unit 104 Building 7
Mississauga ontario, Canada L4W5B2

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31ST MARCH 2025

All figures are in Rs. '000

2	Share Capital:	As at 31st March 2025																	
	i) Authorised Share Capital																		
	1000 Equity shares as Common shares of CAD 0.1 each (converted to INR)	6																	
	ii) Issued, Subscribed, and Fully paid up Share Capital																		
	a) Equity Shares of CAD 0.1																		
	1000 Equity shares as Common shares of CAD 0.1 each (converted to INR)	6																	
	Total	6																	
	iii) Reconciliation of the No. of shares outstanding at the beginning and at the end of the Year																		
	<table> <tr> <th style="text-align: left;">Particulars</th><th colspan="2" style="text-align: center;">As at 31st March 2025</th></tr> <tr> <th style="text-align: left;">Equity Shares of CAD 0.1/- each Fully Paid-up</th><th style="text-align: center;">No. of Share</th><th style="text-align: center;">Amount (Rs.)</th></tr> <tr> <td>Outstanding at the beginning of the Year</td><td style="text-align: center;">1,000</td><td style="text-align: center;">6</td></tr> <tr> <td>Issued during the Year</td><td style="text-align: center;">-</td><td></td></tr> <tr> <td>Closing Number of Outstanding Shares</td><td style="text-align: center;">1,000</td><td style="text-align: center;">6</td></tr> </table>	Particulars	As at 31st March 2025		Equity Shares of CAD 0.1/- each Fully Paid-up	No. of Share	Amount (Rs.)	Outstanding at the beginning of the Year	1,000	6	Issued during the Year	-		Closing Number of Outstanding Shares	1,000	6			
Particulars	As at 31st March 2025																		
Equity Shares of CAD 0.1/- each Fully Paid-up	No. of Share	Amount (Rs.)																	
Outstanding at the beginning of the Year	1,000	6																	
Issued during the Year	-																		
Closing Number of Outstanding Shares	1,000	6																	
	iv) Shares in the Company held by Each Shareholder holding more than 5% Shares																		
	<table> <tr> <th rowspan="2" style="text-align: left;">Particulars</th><th colspan="2" style="text-align: center;">As at 31st March 2025</th></tr> <tr> <th style="text-align: center;">Number of shares held</th><th style="text-align: center;">% holding in that class of shares</th></tr> <tr> <td>Equity Shares of CAD 0.1/- each Fully Paid-up</td><td></td><td></td></tr> <tr> <td>Methodhub Consulting Inc</td><td style="text-align: center;">510</td><td style="text-align: center;">51%</td></tr> <tr> <td>Sulaiti Maimaiti</td><td style="text-align: center;">290</td><td style="text-align: center;">29%</td></tr> <tr> <td>Ajay Kumar Pasala</td><td style="text-align: center;">200</td><td style="text-align: center;">20%</td></tr> </table>	Particulars	As at 31st March 2025		Number of shares held	% holding in that class of shares	Equity Shares of CAD 0.1/- each Fully Paid-up			Methodhub Consulting Inc	510	51%	Sulaiti Maimaiti	290	29%	Ajay Kumar Pasala	200	20%	
Particulars	As at 31st March 2025																		
	Number of shares held	% holding in that class of shares																	
Equity Shares of CAD 0.1/- each Fully Paid-up																			
Methodhub Consulting Inc	510	51%																	
Sulaiti Maimaiti	290	29%																	
Ajay Kumar Pasala	200	20%																	
3	Reserves and Surplus:	As at 31st March 2025																	
	ii) Surplus																		
	Balance in the statement of Profit and Loss at the beginning of the year	23,452																	
	Profit for the year	(4,902)																	
	Balance at the end of the Year	18,550																	
4	Long-Term Borrowings	As at 31st March 2025																	
	Secured																		
	a) Term Loan																		
	From Bank	-																	
	Unsecured																		
	a) Term Loans																		
	- From Bank	1,823																	
	b) Other Loans and Advances																		
	Loans and advances from related parties- Director	33,388																	
	Loans and advances from related parties- Methodhub Consulting INC	8,543																	
	Total	43,754																	
5	Short Term Borrowings	As at 31st March 2025																	
	Loans Repayable on Demand																		
	Unsecured																		
	From Related Parties																		
	From Other Parties	40,036																	
	Total	40,036																	
6	Trade Payables	As at 31st March 2025																	
	Due to -																		
	(a) Total outstanding due of Micro and Small Enterprises	-																	
	(b) Others	14,352																	
	Total	14,352																	



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31ST MARCH 2025

All figures are in Rs. '000

Trade Payables Ageing Schedule as at 31st March, 2025

Sl. No.	Particulars	Outstanding for following periods from due date of
		Less than 1 year
(i)	MSME	-
(ii)	Others	14,352
(iii)	Disputed dues - MSME	-
(iv)	Disputed dues - Others	-

Note: There are no due exceeding a period of more than 1 year

7 Other Current Liabilities	As at 31st March 2025
Statutory dues payable	24,337
Audit fee payable	-
Outstanding Expenses	20,449
Total	44,786

8 Other Non-Current Assets	As at 31st March 2025
Unsecured and Considered Good	
Other Non Current Assets	4,734
Total	4,734

9 Trade Receivables	As at 31st March 2025
Unsecured, Considered Good	
Trade Receivables	1,31,403
Total	1,31,403

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person

Trade Receivables Ageing Schedule as on March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment			
		Less than 6 months	6 months to 1 year	1 year to 2 years	Total
Undisputed trade receivables - considered good	1,14,698	4,922	10,698	1,085	1,31,403
Add: Unbilled Debtor					
Less: Bill Discounted					
Undisputed trade receivables - credit impaired					
Less: Allowances expected for credit losses					
Total	1,14,698	4,922	10,698	1,085	1,31,403

10 Cash and Bank Balances	As at 31st March 2025
(a) Cash and Cash Equivalents	
Balances with Banks	
In Current Account	4,724
In Deposit Account	
- Fixed Deposit	-
- In Deposit Account held as Security	-
Cash on Hand	-
Total	4,724

11 Short-term Loans and Advances	As at 31st March 2025
Unsecured, Considered Good	
Other Short-Term Advances	2,835
Loans and advances to related parties- Director	1,982
Total	4,817

12 Other Current Assets	As at 31st March 2025
Considered Good	
Other Current Assets	15,566
Total	15,566



Zortech Solutions Inc
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31ST MARCH 2025

All figures are in Rs. '000

13	Revenue From Operations	For the year ended 31st March 2025
	Information Technology Services	5,92,156
	Total	5,92,156
14	Direct Costs	For the year ended 31st March 2025
	Direct Expenses	5,45,651
	Total	5,45,651
15	Employee Benefits Expense	For the year ended 31st March 2025
	Salaries & Wages	19,248
	Contribution to Provident and Other Funds	988
	Staff welfare	2,304
	Total	22,540
16	Finance Cost	For the year ended 31st March 2025
	Interest Expenses	167
	Forex Loss/(Gain)	915
	Other Borrowing Costs	11,921
	Total	13,003
17	Other Expenses	For the year ended 31st March 2025
	Rent, Rates and Taxes	2,140
	Bank charges	663
	Travelling Expenses	2,884
	Communication Expenses	583
	Subscription Charges	1,033
	Other Services	5,563
	Business Promotion Expenses	1,643
	Legal & Professional Charges	186
	Office Expenses	806
	Insurance Expenses	299
	Miscellaneous Expenses	3
	Total	15,803
18	Contingent Liabilities and Commitments (to the extent not provided for)	
	Particulars	For the year ended 31st March 2025
	Claims against the company not acknowledged as debt - GST/HST	2,802



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

Corporate Information

Zortech Solutions Inc (Canada) was incorporated under the Ontario (Canada) business corporations act on April 12, 2018. Zortech Solutions Inc is a subsidiary of Methodhub Consulting Inc incorporated in the United States of America and is a Step-down subsidiary of Methodhub Software Ltd., an Indian company engaged in IT consulting and software development. The Company provides IT-enabled services to clients in India.

These financial statements are prepared solely for the purpose of consolidation with the holding company, Methodhub Software Ltd., and follow the accounting principles and policies adopted by Methodhub Software Ltd. in India under Indian GAAP.

Business Information

The Company is engaged in Consulting services which include assessment of the enterprise network, applications selection and advise on the software design and tools; (ii) Implementation services which include deployment, upgrades, enhancements, migration, training, documentation and maintenance of various information technology systems and (iii) Development services which include customization of network and applications in the private or public cloud environment.

Zortech Solutions Inc (Canada) ("ZSICAD") was incorporated under the Ontario (Canada) business corporations act on April 12, 2018.

Zortech Solutions Inc. ("The corporation") ("ZSIUS") a was incorporated under the Texas corporation on October 27, 2020.

Effective April 01, 2024, ZSICAD has acquired the 100% controlling interest of ZSIUS

Basis of Preparation

These financial statements have been prepared in accordance with the historical cost convention and on an accrual basis of accounting, in accordance with the accounting principles generally accepted in India ("Indian GAAP"), comprising Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These statements do not constitute statutory financials under local law and are presented solely for consolidation into the books of the parent company.

Share Capital

As of March 31, 2025, the share capital structure of Zortech Solutions Inc. comprises the following:

- Authorized Capital: 1,000 common shares with a par value of INR 61.46
- Issued and Fully Paid-Up Capital: 1,000 common shares issued and fully paid, representing a total share capital of Rs. 6,146



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

These common shares represent the ownership of Zortech Solutions Inc Canada and Zortech Solutions Inc USA, with the shareholding structured as follows:

- Methodhub Consulting Inc. holds 51% of the common stock (510 shares)
- The remaining 49% (490 shares) is held by other shareholders

All common shares carry equal voting rights, dividend entitlement, and residual interest in the Company's assets in the event of liquidation, subject to applicable laws.

Basis of combined financial statements

The consolidated financial statements include the financial statements of Zortech Solutions Inc (Canada) and Zortech Solutions Inc (USA) which are related through common ownership and management. All intergroup balances and transactions have been eliminated in combining the financials.

Summary of Significant Accounting Policies

Revenue Recognition

The Company enters into contractual obligations with the customers to perform (i) Consulting services which include assessment of the enterprise network, applications selection and advise on the software design and tools; (ii) Implementation services which include deployment, upgrades, enhancements, migration, training, documentation and maintenance of various information technology systems and (iii) Development services which include customization of network and applications in the private or public cloud environment.

Revenue from Strategic advisory, Implementation and Development services are distinct performance obligations and is recognized on time-and-material or fixed-price project basis. Revenues related to time-and-material are recognized over the period the services are provided using labor hours. Revenues related to fixed-price contracts are recognized as the service is performed using the cost-to-cost method, under which the total value of revenues is recognized based on the percentage that each contract's total labor cost to date bears to the total expected labor costs. The cost-to-cost method requires estimation of future costs, which is updated as the project progresses to reflect the latest available information; such estimates and changes in estimates involve the use of judgment. The cumulative impact of any revision in estimates is reflected in the financial reporting period in which the change in estimate becomes known and any anticipated losses on contracts are recognized immediately, where appropriate.

The Company recognize revenues as they transfer control of deliverables (services and solutions) to their clients in an amount reflecting the consideration to which they expect to be entitled. To recognize revenues, the Company apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

revenues when a performance obligation is satisfied. The Company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company applies judgment in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

For performance obligations where control is transferred over time, revenues are recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the deliverables to be provided.

Employee Benefits (Salaries & Wages)

Short-term employee benefits (salaries, bonus, etc.) are recognized as expenses as incurred.

No long-term benefits or gratuity provisions have been created, as the company operates under the labour laws of Canada, and there is no contractual obligation beyond short-term wages.

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of income, expenses, assets, and liabilities. Actual results could differ from those estimates

Foreign Currency translation:

Transactions in foreign currencies are translated into INR at the exchange rate prevailing on the transaction date. Monetary assets and liabilities are translated at year-end exchange rates. Exchange gains or losses are included in Income statement.

Use of Estimates

The preparation of financial statements is in conformity with GAAP, which requires us to make estimates, judgments and assumptions that affect the financial statements and the notes thereto. These estimates are based on information available as of the date of the financial statements. On a regular basis, management evaluates these estimates and assumptions. Items subject to such estimates and assumptions include, but are not limited to:

- the standalone selling price for each distinct performance obligation
- the determination of the period of benefit for amortization of deferred costs
- the fair value of assets acquired, and liabilities assumed for business combinations.



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled revenue (contract assets), and customer advances and deferred revenue (contract liabilities) on the Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed upon contractual terms, generally monthly upon achievement of contractual milestones. Generally, billing occurs after revenue recognition, resulting in contract assets. However, the Company sometimes receive advances or deposits from customers, particularly on international contracts, before revenue is recognized, resulting in contract liabilities. These deposits are liquidated when revenue is recognized.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. Cash and cash equivalents include cash and short-term deposits with original maturity under 90 days.

Accounts Receivable

The Company extends credit to clients based upon management's assessment of their creditworthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The Company includes any balances that are determined to be uncollectible in its allowance for credit losses.

The Company's trade and other receivables are exposed to the risk of financial loss if the counterparty fails to meet its contractual obligations. Trade and other receivables credit exposure is minimized by entering transactions with creditworthy counterparties and monitoring the age and balances outstanding on an ongoing basis. Most of the Company's credit exposures are with counterparties in the consulting and technology industries and are subject to normal industry credit risk. Payment terms with customers are 45-60 days from invoice date.

Accounts Payable

Accounts payable and accrued liabilities represent amounts due to suppliers and service providers for goods and services received prior to the end of the reporting period. These include trade payables, accrued salaries and benefits, professional fees, utilities, and other operating expenses.

All amounts are unsecured, non-interest bearing, and are expected to be settled within the normal operating cycle of the Company, typically within 30 to 60 days. There are no significant overdue balances or disputes with suppliers as of the reporting date.



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

Property and Equipment

Property and equipment are stated at cost. The Company provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 7 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease terms or the useful lives of the improvements. The Company charges repair and maintenance costs that do not extend the lives of the assets to expenses as incurred.

Property and equipment consist of the following: (in '000's)

Office Furniture & Equipment	Rs.416
Less: Accumulated depreciation	Rs.176
Written down value	Rs. 240

Income taxes

For the year ended 31st March 2025, the Company incurred loss and, accordingly, no provision for current income taxes has been made.

As the Company does not have taxable income and has carry forward losses deferred tax asset has not been recognized in respect of the non-capital loss carry forwards, due to the uncertainty regarding their future utilization. The Company will reassess the recoverability of deferred tax assets in future periods as circumstances warrant.

Borrowing costs

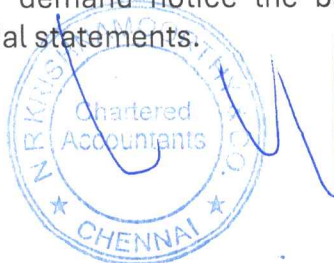
Borrowing costs are primarily comprised of interest in the Company's debts. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a component of the cost of the asset to which it is related. All other borrowing costs are expensed in the period in which they are incurred and are reported in finance costs.

Other Current Liabilities

Other current liabilities consist of the following: (in '000's)

Statutory dues payable	24,337
Outstanding Expenses	20,449
Total	44,786

Current liabilities of statutory dues payable include an HST liability of 22,468 relating to the company. The amount that has been determined on a preliminary assessment by the Canadian revenue agency was for which no demand notice has been received by the company. Pending receipt of demand notice the balance of 2,802 is treated as contingent liability in the financial statements.



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

Short Term Borrowings

Short Term Borrowings consist of the following: (in'000's)

Wilco Factoring (Canada)	38,529
Amex credit card	478
Wilco Factoring (USA)	1,029
Total	40,036

The Company has entered a factoring arrangement with a third-party financial institution, under which certain trade receivables are assigned on a recourse basis. The factoring facility is used to enhance working capital liquidity by accelerating cash flow from accounts receivable.

As at the reporting date, the outstanding balance of funds received under the factoring arrangement has been classified under Current Liabilities, as it represents a short-term obligation to the factor until the underlying receivables are settled.

The factoring facility is secured by the assigned receivables and is subject to customary terms, including limits, fees, and repayment conditions as specified in the agreement. The Company remains responsible for the collection of receivables in case of a recourse arrangement.

Legal Matters

The Company is not involved in any action, arbitration and/or other legal proceedings that it expects to have a material adverse effect on the business, financial condition, results of operations or liquidity of the Company. All legal costs are expensed as incurred.

Contingent Liability

The difference of 2,802 between the Company's recorded liability and the CRA's preliminary estimate has been disclosed as a contingent liability.

- No present obligation has been confirmed through a legal or constructive demand; and
- The amount remains uncertain and contingent on the CRA issuing a formal notice.

The Company is monitoring the matter and will reassess the liability upon receipt of any formal communication from the tax authority. Management believes that the recognition of an additional provision at this stage is not appropriate.



Zortech Solutions Inc
Notes To Consolidated Financial Statements
As at and for the year ended March 31, 2025

Events After Balance Sheet Date

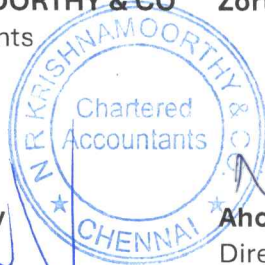
No significant events have occurred after the balance sheet date which require disclosure or adjustment.

Approval of Financial Statements

These financial statements were approved by the Board of Directors of Zortech Solutions INC. on 16th July 2025 and are intended solely for consolidation by the holding company Methodhub Software Ltd.

As per our Audit Report of Even date For and on behalf of the Board of Directors
For N R KRISHNAMOORTHY & CO Zortech Solutions Inc
Chartered Accountants
FRN: 001492S

N R Krishnamoorthy
Partner
Membership No. 020638
Date: 16-07-2025
Place: Chennai



Ahobilam Nagasundaram
Director

Christopher Kuhn
Director

UDIN : 25020638BMLCDA7347