

Indo Count Global Inc. and subsidiaries

Financial Statements

March 31, 2025, and March 31, 2024

KNAV CPA LLP

Certified Public Accountants
One Lakeside Commons, Suite 850,
990 Hammond Drive NE,
Atlanta, GA 30328



America Counts on CPAs

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Independent Auditor's Report

To the Shareholder
Indo Count Global Inc. and subsidiaries

Opinion

We have audited:

1. The consolidated financial statements of Indo Count Global Inc. and its subsidiaries (collectively, the "Company" or the "Group"), which comprise the consolidated balance sheet as of March 31, 2025, and the related consolidated statements of operations and retained earnings and cash flows for the year then ended, and the related notes to the consolidated financial statements (the "2025 Consolidated Financial Statements" or "financial statements"); and
2. The standalone financial statements of Indo Count Global Inc. ("ICG"), which comprise the balance sheet as of March 31, 2024, and the related statements of operations and retained earnings and cash flows for the year then ended, and the related notes (the "2024 Standalone Financial Statements" or "financial statements")

In our opinion,

- the 2025 Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); and
- the 2024 Standalone Financial Statements present fairly, in all material respects, the financial position of ICG as of March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with U.S. GAAP.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 the Company 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.

Other Matter – Comparability of periods

As discussed in *Note C- Business Acquisition* to the financial statements, the Company acquired Fluvitex USA Inc. and Modern Home Textiles Inc. (collectively, the "acquired entities") during the year ended March 31, 2025. Accordingly, the accompanying 2025 consolidated financial statements include the financial position and results of operations of the acquired entities from their respective acquisition dates, whereas the 2024 financial statements reflect only the Company's operations prior to those acquisitions. Because of this, the financial statements for the two periods are not directly comparable. Our opinions are not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 auditors' 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 GAAS 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, 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 the Company'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 of the Company'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Supplementary information

Our audits were conducted for the purpose of forming opinions on the 2025 Consolidated Financial Statements and the 2024 Standalone Financial Statements as a whole. The supplementary financial information for the year ended March 31, 2025, is presented for the purposes of additional analysis and is not a required part of the financial statements. This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 Consolidated Financial Statements. Such information has been subjected to the auditing procedures applied in the audit of the 2025 Consolidated Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying records or to the 2025 Consolidated Financial Statements themselves. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 2025 Consolidated Financial Statements as a whole.

KNAV CPA LLP

Atlanta, Georgia
July 14, 2025

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Balance sheets*(All amounts are in United States Dollars, unless otherwise stated)***ASSETS****Current assets**

Cash	2,399,926	261,733
Accounts receivable, net of allowances	6,991,119	1,045,879
Due from factor	3,739,551	9,149,925
Inventories, net	33,249,725	11,527,643
Prepaid income tax	774,286	116,574
Other current assets	1,047,105	86,566

Total current assets**48,201,712** **22,188,320**

Restricted cash	500,000	500,000
Property and equipment, net	13,847,770	671,644
Capital work-in-progress	131,596	-
Right-of-use assets – operating lease	19,526,038	2,095,496
Goodwill and other intangible assets, net	30,513,255	2,305,591
Intangible assets under development	245,000	-
Other assets	4,121,216	209,451
Deferred tax assets	-	361,057

Total assets**117,086,587** **28,331,559****LIABILITIES AND STOCKHOLDER'S EQUITY****Current liabilities**

Accounts payable	5,072,229	891,483
Due to related party	27,429,220	10,492,286
Operating lease liability, current portion	1,464,530	447,577
Other current liabilities	5,762,659	1,090,354
Loans from related party	-	4,500,000
Loan payable	4,728,198	-

Total current liabilities**44,456,836** **17,421,700**

Loans from related party	14,750,000	-
Loan payable	19,550,000	-
Subordinated debt - related party	2,000,000	2,000,000
Operating lease liability, non-current portion	18,740,582	1,904,373
Deferred tax liabilities	1,565,553	-
Other liabilities	4,087,141	-

Total liabilities**105,150,112** **21,326,073**

Common stock, no par value, authorized 10,000 shares, issued and outstanding 1,350 shares (March 31, 2024: 800 shares)

-

Additional paid-in capital	5,723,424	800,000
Retained earnings	6,213,051	6,205,486

Total stockholder's equity

11,936,475 **7,005,486**

Total liabilities and stockholder's equity

117,086,587 **28,331,559**

(The accompanying notes are an integral part of these financial statements)

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Indo Count Global Inc. and subsidiaries

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Statements of operations*(All amounts are in United States Dollars, unless otherwise stated)*

	For the year ended	
	March 31, 2025	March 31, 2024
Operating revenue	100,811,508	67,391,933
Less: sales returns, discounts, and allowances	(8,391,968)	(7,037,905)
Net operating revenue	92,419,540	60,354,028
Less: cost of revenue	(64,784,000)	(44,666,452)
Gross profit	27,635,540	15,687,576
Operating expenses		
Selling, general, and administrative expenses	22,505,234	13,695,110
Depreciation and amortization expense	2,494,810	474,471
Total operating expenses	25,000,044	14,169,581
Profit from operations	2,635,496	1,517,995
Other expenses (income)		
Interest expense	2,248,566	292,500
Factoring expenses	280,656	322,471
Sundry balances written back	-	(53,324)
Total other expenses	2,529,222	561,647
Income before income taxes	106,274	956,348
Income taxes		
Current tax expense (benefit)	161,043	(20,518)
Deferred tax (benefit) expense	(62,334)	196,943
Total tax expense	98,709	176,425
Net income	7,565*	779,923

*The entire net income for the year ended March 31, 2025, has been attributed to the Parent Company, as the minority shareholder has contractually waived its rights to dividends and does not participate in the results of operations (refer note C).

(The accompanying notes are an integral part of these financial statements)

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Statements of changes in stockholder's equity*(All amounts are in United States Dollars, except the number of shares or unless otherwise stated)*

Particulars	Common stock						Total stockholders' equity
	Authorized	Value*	Issued & outstanding	Value*	Additional paid-in capital	Accumulated surplus	
Balance as at April 1, 2023	10,000	-	800	-	800,000	5,425,563	6,225,563
Income for the year	-	-	-	-	-	779,923	779,923
Balance as at March 31, 2024	10,000	-	800	-	800,000	6,205,486	7,005,486
Balance as at April 1, 2024	10,000	-	800	-	800,000	6,205,486	7,005,486
Shares issued during the year	-	-	550	-	4,923,424	-	4,923,424
Income for the year	-	-	-	-	-	7,565	7,565
Balance as at March 31, 2025	10,000	-	1,350	-	5,723,424	6,213,051	11,936,475

(The accompanying notes are an integral part of these financial statements)

*Par value of common stock is \$Nil.

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Statements of cash flows*(All amounts are in United States Dollars, unless otherwise stated)***Cash flows from operating activities**

	For the year ended	
	March 31, 2025	March 31, 2024
Net income	7,565	779,923
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Interest unwinding on put option liability	153,686	-
Allowance for inventory reserve, net	-	150,000
Sundry balances written back	-	(53,324)
Depreciation and amortization	2,494,810	474,471
Deferred tax (benefit) expense	(62,334)	196,943
Changes in assets and liabilities		
Accounts receivables	(3,249,964)	1,347,574
Due from factor	5,410,374	(6,722,110)
Inventories	(13,821,938)	3,779,861
Other current assets	(794,399)	(86,566)
Prepaid income taxes	(350,415)	(52,336)
Security deposits	(84,454)	(29,451)
Accounts payable, including due to related party	17,888,680	(861,290)
Other current liabilities	4,117,249	(402,834)
Operating lease, right-of-use asset, and liability	422,620	(24,529)
Net cash provided by (used in) operating activities	12,131,480	(1,503,668)

Cash flows from investing activities

Purchase of property and equipment, including capital advances	(5,396,730)	(239,649)
Acquisition of intangible assets including expenditure on development of intangible assets	(11,177,338)	-
Acquisition of Modern Home Textiles Inc. <i>(refer note C)</i>	(11,892,467)	-
Acquisition of Fluvitex USA, Inc., net of cash <i>(refer note C)</i>	(18,538,885)	-
Net cash used in investing activities	(47,005,420)	(239,649)

Cash flows from financing activities

Loan availed during the year	33,250,000	-
Loan repaid during the year.	(1,161,291)	-
Proceeds from the issue of equity shares	4,923,424	-
Net cash provided by financing activities	37,012,133	-
Net increase (decrease) in cash and restricted cash	2,138,193	(1,743,317)
Cash and restricted cash at the beginning of the year	761,733	2,505,050
Cash and restricted cash at the end of the year	2,899,926	761,733

Supplementary cash flow information

Interest paid	387,047	512,075
Income tax paid	313,234	36,138

(The accompanying notes are an integral part of these financial statements)

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Notes to financial statements

(All amounts are in United States Dollars unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

Indo Count Global Inc. ("ICG") was incorporated in the State of Delaware in January 2011 as a wholesaler of linens to chain stores throughout the United States and Canada. ICG is a wholly owned subsidiary of Indo Count Industries Limited (the "Parent Company"), a public company, listed on the Indian stock exchange.

On August 31, 2024, ICG acquired 81% of the outstanding equity interest in Fluvitex USA, Inc. ("Fluvitex"), a Delaware corporation. This acquisition has enabled the Group to improve its presence in the utility bedding segment in North America, thereby increasing its market share.

On October 11, 2024, the Company acquired a 100% controlling stake in Modern Home Textiles Inc. ("MHT"), a Delaware corporation. This acquisition has further enabled the Group to improve its presence in the utility bedding segment in North America, thereby increasing its market share.

During the year ended March 31, 2025, the Company incorporated a wholly owned subsidiary, "Indo Count Global East, Inc.," in the State of Delaware, USA, to carry on the business of utility bedding products. However, this wholly owned subsidiary is yet to commence its business operations.

Indo Count Global Inc., and its subsidiaries, together, are referred to as the "Company" or the "Group".

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Basis of preparation

- a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP"), to reflect the financial position, results of operations and cash flows.
- b) The financial statements presented include the consolidated financial statements for the year ended March 31, 2025, and the standalone financial statements for the year ended March 31, 2024, cumulatively referred to as the "financial statements".
- c) Certain reclassifications, regroupings, and reworkings have been made in the financial statements of the prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net income, stockholder's equity and cash flows.

2. Principles of consolidation

The financial statements as at and for the year ended March 31, 2025, were the Group's first set of consolidated financial statements prepared in accordance with US GAAP on account of acquisition of subsidiaries as detailed in *Note C- Business Acquisition*. The consolidated financial statements include the accounts of Indo Count Global Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Indo Count Global Inc. and subsidiaries

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3. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's most significant estimates relate to the useful lives of property and equipment, and intangibles, impairment of financial assets, impairment of goodwill and other intangible assets, provision for customer rebates, chargebacks and returns, inventory reserve, the measurement of lease liabilities and right-of-use (ROU) assets, estimation relating to unsettled transactions and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in the circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

4. Cash and restricted cash

Cash includes cash on hand and balances with the banks. The Company maintains its cash balances in financial institutions, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on the cash balance.

The Company is required to maintain a certain balance as a collateral deposit against the use of the factoring services. The same has been classified under restricted cash in the balance sheets.

5. Revenue recognition

The core principle of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve this core principle, the Company has applied the five-step process:

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 performance obligations in the contract.
5. Recognize revenue when or as the Company satisfies a performance obligation.

This requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The contracts have one single performance obligation, which is the promise to transfer the individual goods, which occurs when the inventory is shipped to the customer.

The Company's customers are large retailers and are located in the USA and overseas. The Company's sales occur throughout the year and are not seasonal.

The Company provides various allowances and discounts to customers including discounts for prompt payment, sales returns, and rebates. Estimates are made of anticipated returns or other allowances based on historical experience and a provision is made. Similarly, accruals for customer discounts and rebates are recorded when the related revenue is recognized.

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Net sales for the years ended March 31, 2025, and March 31, 2024, reported on the statements of operations and retained earnings, represent gross sales less discounts, rebates, chargebacks, returns, and allowances.

6. *Expected credit losses*

Under Accounting Standard Codification (“ASC”) 326, accounts receivable are recorded at the invoiced amount, net of provision for chargebacks, discount, and others, and provision for credit loss. The Company regularly reviews the adequacy of the provision for credit loss based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the current receivables aging, current payment terms, and expectations of forward-looking loss estimates.

7. *Property and equipment, net and depreciation*

Property and equipment are stated at cost less accumulated depreciation and amortization and include expenditures for significant items. Maintenance, repairs, and minor replacements are expensed. Depreciation and amortization are provided under the straight-line method based on the expected useful lives of the related assets. Leasehold improvements are amortized over the shorter of their estimated useful lives or the underlying lease term. Gains or losses on dispositions are reflected in income. The Company evaluates property and equipment for impairment using a discounted cash flows method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment adjustment deemed necessary by management for the years ended March 31, 2025, and March 31, 2024.

The estimated useful lives used to determine depreciation are:

Nature of assets	Estimated useful life of assets
Leasehold improvements	Shorter of estimated useful life or underlying lease term
Furniture and fixtures	2-10 years
Machinery and equipment	7-15 years
Other equipment	2-8 years
Vehicles	5 years

8. *Business combinations, goodwill, and other intangibles*

In accordance with Accounting Standard Codification (“ASC”) 805, “Business Combinations”, the Company uses the purchase method of accounting for all business combinations. Intangible assets acquired in a business combination are recognized and reported apart from goodwill if they meet the criteria specified in ASC 805.

Goodwill is attributable to the workforce and the high profitability of the acquired entities. This goodwill is not deductible for tax purposes. The Company has elected to test goodwill for impairment at the entity level upon a triggering event that indicates that the fair value of an entity may be below its carrying amount. No triggering events occurred during the years ended March 31, 2025, and March 31, 2024.

Intangible assets are amortized over their estimated useful lives in proportion to the original estimates of the future cash flows underlying the valuation of the intangible assets. The recoverability of intangible assets and other long-lived assets is assessed only when events have occurred that may give rise to impairment. If a potential impairment has been identified, forecasted undiscounted net cash flows of the operations to which the asset relates are compared to the current carrying value of the long-lived assets present in that operation. If such cash flows are less than such carrying amounts, the long-lived assets, including such intangibles, are written down to their respective fair values. The estimated useful lives of the amortizable intangible assets are as follows:

Nature of assets	Estimated useful life of assets
Software	7 years
Brand	15 years

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Nature of assets	Estimated useful life of assets
Customer relationships	15 years
Trade name	14 years
Patents	9 years

9. Advertising expense

Advertising costs are expensed as incurred. Advertising expenses for the years ended March 31, 2025, and March 31, 2024, were approximately \$2,136,464 and \$2,373,118, respectively.

10. Shipping and handling expenses

The Company uses third-party service providers to warehouse the inventory and provide shipping services. Shipping and handling expenses in the accompanying statements of operations, which totalled \$5,921,212 and \$6,210,669 for the years ended March 31, 2025, and March 31, 2024, respectively

11. Retirement and employee benefits

Contributions to defined contribution plans are charged to statements of operations and retained earnings in the year in which they accrue.

12. Inventories

Inventories are valued at the lower of cost and net realisable value. The costs of individual items are determined on weighted average basis. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- a) Raw materials, traded goods and packing materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- b) Finished goods and work in progress: Cost comprises of direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Slow-moving, non-moving, obsolete, and defective inventories are duly provided based on an estimate made by management, considering their condition and future sales forecasts. A reserve was recorded for the years ended March 31, 2025, and March 31, 2024, in the amount of \$150,000 and \$150,000, respectively.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13. Impairment of long-lived assets

Long-lived assets, including certain intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairments were identified or recorded during the years ended March 31, 2025, and March 31, 2024.

14. Income taxes

The Company is a "C" Corporation subject to federal, state, and local income taxes.

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Deferred income taxes reflect the impact of "temporary differences" between the amounts of assets and liabilities for financial reporting purposes and those measured by tax laws and regulations. The type of temporary differences that gave rise to deferred taxes at March 31, 2025, and 2024 are tax inventory capitalization costs, inventory obsolescence reserves, straight-lining of rent expense, timing of expenses, and differences between book depreciation and tax depreciation, as well as book amortization and tax amortization.

The total net deferred tax asset or liability been recorded due to certain qualified costs deducted for financial reporting purposes being capitalized into the inventories for tax purposes, additionally rent expenses now codified as Accounting Standards Codification ("ASC") 842, "Leases" the straight-lining of rent expense for financial reporting purposes as compared to actual rent paid for tax purposes, inventory reserves, timing of deduction of expenses for tax purposes and depreciation as well as amortization. When necessary, valuation allowances are established to reduce deferred tax assets to the amounts expected to be realized. No valuation allowance was required as of March 31, 2025, and 2024. The net deferred income tax asset or liability is classified as non-current on the balance sheets.

U.S. GAAP requires that the financial statement effects of an uncertain tax position be recognized based on the outcome that is more likely than not to occur. Under this criterion, the most likely resolution of an uncertain tax position should be analysed based on technical merits and on the outcome that will likely be sustained under examination and recognize any interest and penalties.

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits as income tax expense. As of March 31, 2025, and March 31, 2024, the Company has determined that it has no uncertain tax positions that require either recognition or disclosure to the financial statements.

15. Functional currency

The functional currency for the Company and its subsidiaries is the United States dollar.

16. Operating leases

The lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed before adoption of the standard.

The Company's leases are classified as operating leases, which are included in operating lease right-of-use assets and operating lease liabilities in the Company's balance sheet. Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company's estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer-term borrowings. Operating lease expense is recognized on a straight-line basis over the lease term and is included in general and administrative expense. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

17. Commitment and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred, and the amount can be reasonably estimated.

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Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities, if any, are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

18. Fair value measurements

Assets and liabilities recorded at fair value in the balance sheets are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of inputs available in the marketplace used to measure the fair values as discussed below.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – Unobservable inputs for the asset or liability are only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE C - BUSINESS ACQUISITION

Acquisition of Fluvitex USA, Inc.

On August 31, 2024, ICG acquired 81% of the outstanding equity interest in Fluvitex USA, Inc. ("Fluvitex"), a Delaware corporation. The total consideration paid by the Company to the selling equity holders for the acquired interest is \$19,630,000.

As part of the purchase agreement, the Company holds an exclusive and irrevocable option to acquire the remaining 19% equity interest (the “Balance Company Shares”) from the erstwhile owners (the “Seller”) in Fluvitex at a pre-determined Additional Purchase Price, exercisable at any time from the initial closing date through September 30, 2029. Additionally, the Seller holds an irrevocable option to require ICG to purchase the balance shares of Fluvitex from October 1, 2027, to September 30, 2029, at the same additional purchase price. The Seller has contractually waived rights to future dividends and voting rights associated with the balance company shares and therefore retains no substantive rights or ability to influence the operations of Fluvitex. Accordingly, ICG is considered to have acquired control over 100% of the equity interests as of the acquisition date. A financial liability has been recognized under “Other liabilities” in the consolidated balance sheets for the obligation to acquire the remaining shares, measured at its present value in accordance with the applicable accounting standards. No non-controlling interest has been recorded in the financial statements.

The allocation of the purchase consideration towards identifiable assets and liabilities acquired as part of the business combination is currently in progress as at March 31, 2025, in accordance with the requirements of ASC 805 "Business Combinations". Accordingly, the amounts recognised in these financial statements are provisional in nature. Upon finalisation of the purchase price allocation, any changes to the provisional amounts will be retrospectively adjusted within the measurement period, as prescribed under the standard.

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Fair value of net identifiable assets acquired (provisional basis):

Assets and liabilities acquired	Amount (\$)
Assets taken over	
Machinery and equipment	9,771,000
Customer relationships	7,803,000
Trade names	838,000
Other assets	294,008
Prepaid taxes	307,297
Inventories	5,677,000
Accounts receivable	2,695,276
Cash	1,091,115
Liabilities taken over	
Borrowings	(2,439,498)
Deferred tax liabilities (net)	(1,988,944)
Accounts payable	(3,429,000)
Other current liabilities	(540,997)
Net identifiable assets acquired	20,078,257
Calculation of goodwill	
Consideration transferred	19,630,000
Add: fair value of put option liability	3,733,455
Less: net identifiable assets acquired	(20,078,257)
Goodwill at the time of acquisition (provisional basis)	3,285,198

Acquisition of Modern Home Textiles Inc.

On October 11, 2024, the Company acquired a 100% controlling stake in Modern Home Textiles Inc. ("MHT"), a Delaware corporation. The total consideration paid by the Company to the selling equity holders for the acquired interest is \$11,892,467.

The allocation of the purchase consideration towards identifiable assets and liabilities acquired as part of the business combination is currently in progress as at March 31, 2025, in accordance with the requirements of ASC 805 "Business Combinations". Accordingly, the amounts recognised in these financial statements are provisional in nature. Upon finalisation of the purchase price allocation, any changes to the provisional amounts will be retrospectively adjusted within the measurement period, as prescribed under the standard.

Fair value of net identifiable assets acquired (provisional basis):

Assets and liabilities acquired	Amount (\$)
Assets taken over	
Machinery and equipment	2,721,508
Other assets	65,805
Inventories	2,223,144
Other current assets	166,141
Liabilities taken over	
Other current liabilities	(14,051)
Net identifiable assets acquired	5,162,547
Calculation of goodwill	
Consideration transferred	11,892,467
Less: net identifiable assets acquired	(5,162,547)
Goodwill at the time of acquisition (provisional basis)	6,729,920

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NOTE D - INVENTORIES, NET

Major classes of inventory are as follows:

	As at	
	March 31, 2025	March 31, 2024
Raw materials*	5,679,499	-
Work in progress	141,817	-
Finished goods (inclusive of manufactured goods, traded goods and packing materials)	27,578,409	11,677,643
Less: allowance for slow-moving inventory	(150,000)	(150,000)
Total	33,249,725	11,527,643

*Includes goods in transit \$830,230 (previous year: Nil).

**Includes goods in transit \$847,389 (previous year: Nil).

The movement in allowance for inventory during the years was as follows: -

	For the year ended	
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	150,000	2,415,986
Add: reserve created during the year.	-	150,000
Less: utilized during the year	-	(2,415,986)
Balance at the end of the year	150,000	150,000

NOTE E - PROPERTY AND EQUIPMENT, NET

	As at	
	March 31, 2025	March 31, 2024
Machinery and equipment	11,066,453	-
Leasehold improvements	3,865,431	946,608
Other equipment	230,427	-
Furniture and fixtures	72,890	30,589
Vehicles	32,140	-
Gross block	15,267,341	977,197
Less: accumulated depreciation	(1,419,571)	(305,553)
Property and equipment, net	13,847,770	671,644

Depreciation expense amounted to approximately \$1,114,018 and \$171,133 for the years ended March 31, 2025, and March 31, 2024, respectively.

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NOTE F - GOODWILL AND INTANGIBLE ASSETS, NET**Goodwill and other intangible assets as of March 31, 2025, consist of:**

	Gross carrying amount	Accumulated amortization	Net carrying amount
Patents	1,500,000	(500,000)	1,000,000
Software	1,428,935	(324,241)	1,104,694
Trade names	838,000	(34,917)	803,083
Customer relationships	7,803,000	(303,450)	7,499,550
Brand*	10,778,998	(688,188)	10,090,810
Goodwill	10,015,118	-	10,015,118
	32,364,051	(1,850,796)	30,513,255

Goodwill and other intangible assets as of March 31, 2024, consist of:

	Gross carrying amount	Accumulated amortization	Net carrying amount
Patents	1,500,000	(333,333)	1,166,667
Software	1,275,595	(136,671)	1,138,924
	2,775,595	(470,004)	2,305,591

Amortization expenses were \$1,380,792 and \$303,338 for the years ended March 31, 2025, and March 31, 2024, respectively.

*On April 19, 2024, the Company acquired the registered trademarks, trademark applications, associated intellectual property contracts and all domain names of the brand name 'Wamsutta' for a total consideration of \$10,250,000. All the directly attributable costs to acquire the intangible assets have also been capitalized.

The Company's estimate of annual amortization expense for the next five years and thereafter for intangible assets is as follows:

	Patents	Customer relation- ships	Trade Name	Software	Brand	Goodwill	Amount (\$)
Year ended March 31,							
2026	166,667	520,200	59,857	210,589	718,939	-	1,676,252
2027	166,667	520,200	59,857	210,589	718,939	-	1,676,252
2028	166,667	520,200	59,857	210,589	718,939	-	1,676,252
2029	166,667	520,200	59,857	210,589	718,939	-	1,676,252
2030	166,667	520,200	59,857	210,589	718,939	-	1,676,252
2031 & thereafter	166,665	4,898,550	503,798	51,749	6,496,115	10,015,118	22,131,995
Total	1,000,000	7,499,550	803,083	1,104,694	10,090,810	10,015,118	30,513,255

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NOTE G - INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development consist of:

	As at	
	March 31, 2025	March 31, 2024
Software	245,000	-
Total	245,000	-

NOTE H - CASH AND RESTRICTED CASH

For purposes of the statements of cash flows, the following table provides a reconciliation of cash and restricted cash reported within the balance sheets on March 31 that sum to the total of the identical amounts shown in the statements of cash flows.

	As at	
	March 31, 2025	March 31, 2024
Current		
Balance with banks	2,392,131	261,733
Cash on hand	7,795	-
Non-current		
Restricted cash*	500,000	500,000
Total cash and restricted cash are shown in the statements of cash flows	2,899,926	761,733

The Company maintains its cash at financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and are federally insured. Deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits up to the combined amount of \$250,000 per depositor, per insured financial institution.

*The restricted cash balance was \$500,000 as of both March 31, 2025, and March 31, 2024, is used as collateral for the Company’s borrowing facility.

NOTE I - ACCOUNTS RECEIVABLE

	As at	
	March 31, 2025	March 31, 2024
Accounts receivable	6,991,119	1,045,879
Less: allowance for expected credit losses	-	-
Total	6,991,119	1,045,879

NOTE J - DUE FROM FACTOR

The Company has a factoring agreement (the “agreement”) with a financial institution where the Company sells approved accounts with or without recourse. The agreement also provides for a line of credit for advances based on a formula as defined in the agreement, not to exceed \$14,000,000, with a restricted cash collateral deposit of \$500,000. The interest is accrued at rates based on the daily Prime Rate in effect on the last day of each month (3.25% minimum), less 0.50%. This financial institution has been given a security interest in substantially all the Indo Count Global Inc.’s assets. The agreement contains certain restrictive covenants.

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There is a guarantee by the Parent Company amounting to \$5,000,000 as per the agreement. The guaranteed amount as of both March 31, 2025, and March 31, 2024, is \$5,000,000 plus expenses of collection in an amount equal to 30% of the guaranteed amounts (the “Maximum Guarantee Amount”) plus interest and reasonable attorneys’ fees.

As of March 31, 2025, and March 31, 2024, the Company had outstanding factored balances due from the credit facility for \$3,739,551 and \$9,149,925, respectively.

NOTE K - OTHER CURRENT ASSETS

Other current assets comprise the following:

	As at	
	March 31, 2025	March 31, 2024
Prepaid expenses	1,037,064	86,566
Vendor advances	10,041	-
Total	1,047,105	86,566

NOTE L - OTHER ASSETS

Other assets comprise the following:

	As at	
	March 31, 2025	March 31, 2024
Security deposits	653,718	209,451
Capital advances	3,467,498	-
Total	4,121,216	209,451

NOTE M - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	As at	
	March 31, 2025	March 31, 2024
Accrued expenses	1,785,216	67,250
Accrued sales allowance	1,513,806	965,410
Interest payable (including interest on related party)	1,424,386	-
Other payables	873,282	7,903
Wages payable	117,755	1,577
Customer deposits	48,214	48,214
Total	5,762,659	1,090,354

NOTE N - LOANS FROM RELATED PARTY

As at March 31, 2024, the Company had an outstanding borrowing of \$4,500,000 availed from its Parent Company at an interest rate of 6.5% per annum, which was repayable on or before March 31, 2025. During the year ended March 31, 2025, the payment terms have been extended to be repayable on or before March 31, 2030, at the option of the Company.

During the year ended March 31, 2025, the Company availed an additional loan of \$10,250,000 at an interest rate of 7.11% per annum, repayable on March 31, 2034.

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NOTE O - LOAN PAYABLE

	As at	
	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Loan from others	1,278,198	-
Loans from banks	23,000,000	-
Total	24,278,198	-
Current portion	4,728,198	-
Non-current portion	19,550,000	-

Loan payable – others (current)

The Company acquired two unsecured loans in connection with the acquisition of Fluvitex USA, Inc. from its former owners, effective September 1, 2024. The loan amounts were \$1,873,189 and \$566,300, on the date of acquisition, with an interest rate of 5.7% p.a. and 4% p.a., respectively.

The loan of \$1,873,189 is repayable in monthly instalments ranging from \$70,000 to \$200,000, due on the 20th of each month from September 2024 through September 2025. The second loan, amounting to \$566,300, is repayable in equal monthly instalments of \$62,500, due on the 1st of each month from September 2024 through May 2025.

As of March 31, 2025, the outstanding principal balances were \$1,148,198 and \$130,000, respectively. For the year ended March 31, 2025, the Company recognized interest expenses of \$53,427 and \$9,396 on these loans, respectively.

Loan payable – others (non-current)

During the year ended March 31, 2025, the Company availed two unsecured term loans from a financial institution amounting to \$15,000,000 and \$8,000,000, carrying interest rates of 3-month SOFR + 2.05% p.a. and 3-month SOFR + 2.20% p.a., respectively. A corporate guarantee for both term loans has been provided by the Company's parent entity.

The loans are repayable in equal quarterly instalments of \$750,000 and \$400,000, respectively, commencing from September 30, 2025. Interest expenses recognized on these loans for the year ended March 31, 2025, amounted to \$504,563 and \$254,131, respectively.

As of March 31, 2025, the outstanding principal balances were \$15,000,000 and \$8,000,000, respectively. Of these, \$2,250,000 and \$1,200,000 have been classified as current portions in the balance sheets.

Following table depicts the repayment schedule for the term loans:

Year ended March 31	Amount (\$)
2026	3,450,000
2027	4,600,000
2028	4,600,000
2029	4,600,000
2030	4,600,000
2031	1,150,000
Total	23,000,000

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NOTE P - OTHER LIABILITIES

Other liabilities comprise of the following:

	As at	
	March 31, 2025	March 31, 2024
Put-option liability (<i>refer note C</i>)	3,887,141	-
Other payables	200,000	-
Total	4,087,141	-

NOTE Q - INCOME TAXES

The Group files consolidated federal and state tax returns per regulations applicable to Chapter C corporations in the United States of America.

Income tax expense is as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Federal		
Current	81,474	(26,555)
Deferred	(19,047)	180,822
State		
Current	79,569	6,037
Deferred	(43,287)	16,121
Total tax expense	98,709	176,425

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Deferred tax assets:		
Brand	39,210	30,977
Lease liability	4,668,911	546,414
Inventory reserve	34,680	34,849
163(j) business interest limitation	299,213	144,980
263A capitalization	211,105	39,522
Net operating losses ('NOL's)	31,276	244,557
Allowance for doubtful debts	902	-
Accrued allowance and chargebacks	4,606	-
Disallowance u/s 267- interest	230,017	-
Disallowance u/s 267- commission	46,423	-
Total deferred tax assets	5,566,343	1,041,299

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	For the year ended	
	March 31, 2025	March 31, 2024
Deferred tax liabilities:		
Property, equipment, and software	(655,459)	(193,408)
Customer relationships	(1,726,210)	-
Trade name	(184,850)	-
Goodwill on acquisition	(48,595)	-
Right-of-use asset	(4,516,782)	(486,834)
Total deferred tax liabilities	(7,131,896)	(680,242)
Net deferred tax (liabilities) assets	(1,565,553)	361,057

Realization of net deferred tax assets is dependent upon the generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences, and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

The Company has recognized deferred tax liability of \$1,565,553 as on March 31, 2025, and deferred tax asset of \$361,057 as on March 31, 2024, on account of temporary differences arising out for tax purposes. The Company has no federal net operating loss as at March 31, 2025. The Company has state net operating loss carry forwards of \$343,877 as at March 31, 2025.

Accounting for uncertain tax position:

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of ASC 740, "Income Taxes" had no material effect on the Company's financial position, results of operation or cash flows.

The tax years of 2021 through 2023 remain subject to examination by the taxing authorities.

NOTE R - RETIREMENT PLANS

On June 1, 2015, the Company adopted a defined contribution 401(K) Plan (the "Plan") covering all eligible employees of the Company. Employees are eligible to become contributing participants of the Plan on the first day of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Company's discretionary contribution to the Plan for the years ended March 31, 2025, and 2024 was approximately \$161,097 and \$113,971, respectively, and is included in selling, general and administrative expenses on the statements of operations.

NOTE S - SUBORDINATED DEBT – RELATED PARTY

As required by the factoring agreement noted in Note J, the Company has subordinated trade payables due to its parent to the financial institution. As at March 31, 2025, and March 31, 2024, the subordinated indebtedness is \$2,000,000 and \$2,000,000 respectively. This loan is long-term and non-interest-bearing.

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NOTE T - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant credit risk consist principally of cash and accounts receivable. Risks associated with cash are mitigated by banking with financial institutions that management believes to be of high credit quality. The Company performs ongoing credit evaluations of its customers and maintains reserves for potential credit losses. To date, such losses have been within management's expectations. As at March 31, 2025, and March 31, 2024, the top 5 customers accounted for approximately 62% and 69% of the total accounts receivable and contributed for around 62% and 68% of the Company's revenue during the years ended March 31, 2025, and March 31, 2024, respectively.

NOTE U - CONTINGENCIES

One of the largest customers of the Company and its affiliates (referred to as 'debtors') filed for bankruptcy protection in April 2023. In November 2023, the Company received a demand letter from counsel of the debtors concerning certain alleged receipts of an amount as avoidable and recoverable as preferential payments under section 547(b) of the United States Bankruptcy Code, 11 U.S.C. On February 13, 2025, the plan administrator for the debtors filed a complaint against the Company seeking the avoidance and recovery of transfers. The Company has responded to the complaint on May 20, 2025, and will defend the action. Additionally, the matter will be sent to mediation over the summer. At this stage, the Company cannot evaluate the likelihood of an unfavourable outcome or estimate the amount or range of any potential loss other than as set forth above. Accordingly, the Company has not recorded any adjustments relating to the matter.

The Company is involved in certain litigations as defendant's incidental to the conduct of its business. However, the Company is not a party to any lawsuit or proceeding which, in the opinion of the Company's management, is likely to have a materially adverse effect on the Company's consolidated financial position.

NOTE V - RELATED PARTY TRANSACTIONS

Indo Count Industries Limited (Parent Company) is the only related party with whom transactions have taken place during the year and has closing balances.

Summary of transactions with Indo Count Industries Limited is as follows:

	Transactions for the year ended	
	March 31, 2025	March 31, 2024
Purchases of goods	50,250,055	35,547,694
Loan availed during the year	10,250,000	-
Equity infusion in the current year	4,923,425	-
Interest on the loan availed	999,312	292,500
Commission charges on the guarantee*	201,688	68,250
Debit note for processing fee related to the loan from the bank	45,484	-
	Balances as at	
	March 31, 2025	March 31, 2024
Accounts payable	27,429,220	10,492,286
Loan payable**	14,750,000	4,500,000
Interest accrued on loan	999,312	-
Subordinated debt	2,000,000	2,000,000

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*The Parent Company has given corporate guarantees with respect to the factoring arrangement and the term loans. For more details, refer note J and O.

**As at March 31, 2024, the Company had an outstanding borrowing of \$4,500,000 availed from its Parent Company at an interest rate of 6.5% per annum, which was repayable on or before March 31, 2025. During the year ended March 31, 2025, the payment terms have been extended to be repayable on or before March 31, 2030, at the option of the Company. Additionally, during the year ended March 31, 2025, the Company availed an additional loan of \$10,250,000 at an interest rate of 7.11% per annum, repayable on March 31, 2034.

NOTE W - REVENUE FROM CUSTOMER CONTRACTS

The following table presents revenue disaggregated by source of revenue:

	Year ended	
	March 31, 2025	March 31, 2024
Sale of products	92,419,540	60,354,028
Total	92,419,540	60,354,028

The following table presents revenue disaggregated by timing of recognition:

	Year ended	
	March 31, 2025	March 31, 2024
Sale of products at a point in time	92,419,540	60,354,028
Total	92,419,540	60,354,028

The following table presents revenue disaggregated by geography:

	Year ended	
	March 31, 2025	March 31, 2024
United States of America	91,938,279	59,367,378
Canada	481,261	986,650
Total	92,419,540	60,354,028

Contract balances

The timing of revenue recognition, invoicing, and cash collections results in billed receivables, contract assets, and contract liabilities on the balance sheets. Contract assets represent sales recognized in excess of billings related to work completed but not yet billed for which revenue is recognized over time. Contract assets are recorded as unbilled receivables. Unbilled receivables are typically generated from consulting contracts, which are billed upfront as a percentage of the total revenue, with the balance billed upon completion. Contract liabilities are customer deposits for which revenue has not been recognized. Customer deposits are recorded as other current liabilities. When consideration is received from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded as deferred revenue. Contract liabilities are recognized as revenue after control of the goods and services are transferred to the customer and all revenue recognition criteria have been met. As at March 31, 2025, and March 31, 2024, the Company does not have any unbilled or deferred revenue.

NOTE X - STOCKHOLDERS' EQUITY

The authorized common stock of the Company is 10,000 (March 31, 2024: 10,000 common shares) common shares of no par value each. The Company has issued 1,350 common shares (March 31, 2024: 800 common shares) of \$Nil each. Each share carries an equal voting right and is entitled to an equal share in the assets of the Company at liquidation.

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NOTE Y - FAIR VALUE MEASUREMENT

The fair value of the Company's current assets and current liabilities approximates their carrying values because of their short-term maturity. Such financial instruments are classified as current and are expected to be liquidated within the next twelve months. As of March 31, 2025, and March 31, 2024, the fair value of the Company's other assets approximates their carrying values.

NOTE Z - LEASES

General description of the lease

The Company has office spaces and factory buildings under operating leases with non-cancellable terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes, including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

Package of practical expedients: The Company will not reassess whether any expired or existing contracts are leases or contain leases, the lease classification for any expired or existing leases, or any initial direct costs for any expired or existing leases as of the transition date.

Additional transition method: The Company adopted the standard using a modified retrospective approach, applying the standard's transition provisions at the beginning of the period of adoption and maintain previous disclosure requirements for comparative periods.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments based on an index or rate within the calculation of right-of-use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery, and equipment, and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or restrictive covenants.

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Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of operations and retained earnings.

The table below presents the classification of the leasing assets and liabilities.

Particulars	Financial statements classification	As at	
		March 31, 2025	March 31, 2024
Assets			
Right-of-use assets – operating lease	Non-current asset	19,526,038	2,095,496
Liabilities			
Operating lease liability	Non-current liabilities	18,740,582	1,904,373
	Current liabilities	1,464,530	447,577
		20,205,112	2,351,950

Supplemental cash flow information related to leases for the years ended March 31, 2025, and March 31, 2024, was as follows:

The components of total lease cost are as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Right of use asset amortization	288,152	89,130
Interest expenses	1,034,527	398,447
Total	1,322,679	487,577

The Company has office spaces and factory buildings under operating leases which have non-cancellable terms through March 2035. Generally, the leases have optional renewal clauses to extend the terms of the various leases for periods ranging from 5 to 10 years, at the discretion of the Company. Future minimum payments under non-cancellable operating leases are as follows:

Year ended March 31	Amount (\$)
2026	2,732,318
2027	3,607,105
2028	3,439,614
2029	3,057,154
2030 and thereafter	13,924,912
Total minimum lease payments	26,761,103
Less: imputed interest	(6,555,991)
Operating lease liabilities	20,205,112

	Year ended March 31, 2025
Weighted average remaining lease terms (years) – operating leases	8 years
Weighted average – discount rate (%)	6.55%

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NOTE AA - RISK AND UNCERTAINTIES

The Company's future operations results involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to: deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenue; competitive factors, including but not limited to pricing pressures; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The Company's operations are subject to complex trade and customs laws, regulations, and tax requirements. The United States has recently imposed or proposed imposing additional tariffs on goods imported from many countries, including a tariff on goods imported from India. The Company sources goods from its Parent Company, Indo Count Industries Limited (India), and other foreign vendors. The current political landscape, including with respect to the United States' foreign policy priorities and relations with trading partners, has introduced greater uncertainty with respect to future tax and trade policy. The Company is unable to determine the impact.

NOTE BB - SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated balance sheet through July 14, 2025, the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements except as noted below:

- In June 2025, ICG incorporated a wholly owned subsidiary, "Indo Count (Shanghai) Commercial Co. Ltd.," in China. However, this wholly owned subsidiary is yet to commence its business operations.

Indo Count Global Inc. and subsidiaries

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APPENDIX A - SUPPLEMENTARY INFORMATION

1. Balance sheet as at March 31, 2025

Particulars

(All amounts are in United States Dollars, unless otherwise stated)

	As at March 31, 2025					
	Indo Count Global Inc.	Fluvitex USA, Inc.	Modern Home Textiles Inc.	Consolidation adjustments	Intercompany eliminations	March 31, 2025 (Total)
ASSETS						
Current assets						
Cash	286,659	1,246,186	867,081	-	-	2,399,926
Accounts receivable, net of allowances	4,435,729	2,731,892	2,864,214	-	(3,040,716)	6,991,119
Due from factor	3,739,551	-	-	-	-	3,739,551
Inventories, net	26,086,818	4,126,980	3,035,927	-	-	33,249,725
Prepaid income tax	279,119	495,167	-	-	-	774,286
Other current assets	1,018,969	-	28,136	-	-	1,047,105
Total current assets	35,846,845	8,600,225	6,795,358	-	(3,040,716)	48,201,712
Restricted cash	500,000	-	-	-	-	500,000
Property and equipment, net	1,190,198	5,456,387	2,681,317	4,519,868	-	13,847,770
Capital work-in-progress	131,596	-	-	-	-	131,596
Right-of-use assets – operating lease	14,844,337	1,039,971	3,641,730	-	-	19,526,038
Goodwill and other intangible assets, net	12,195,505	332,708	-	17,985,042	-	30,513,255
Intangible assets under development	245,000	-	-	-	-	245,000
Investment in subsidiaries	31,329,727	-	-	(31,329,727)	-	-
Other assets	3,830,757	224,654	65,805	-	-	4,121,216
Total assets	100,113,965	15,653,945	13,184,210	(8,824,817)	(3,040,716)	117,086,587
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current liabilities						
Accounts payable	3,309,918	1,240,524	3,555,677	-	(3,033,890)	5,072,229
Due to related party	27,429,220	-	-	-	-	27,429,220

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Operating lease liability, current portion	530,089	461,288	473,153	-	-	1,464,530
Other current liabilities	3,861,694	1,969,346	241,805	(303,360)	(6,826)	5,762,659
Loan payable	3,450,000	1,278,198	-	-	-	4,728,198
Total current liabilities	38,580,921	4,949,356	4,270,635	(303,360)	(3,040,716)	44,456,836
Loans from related party	14,750,000	-	-	-	-	14,750,000
Loan payable	19,550,000	-	-	-	-	19,550,000
Subordinated debt - related party	2,000,000	-	-	-	-	2,000,000
Operating lease liability, non-current portion	14,746,805	774,798	3,218,979	-	-	18,740,582
Deferred tax liabilities	(495,788)	(261,069)	411,350	1,911,060	-	1,565,553
Other liabilities		200,000	-	3,887,141	-	4,087,141
Total liabilities	89,131,938	5,663,085	7,900,964	5,494,841	(3,040,716)	105,150,112
Common stock, no par value, authorized 10,000 shares, issued and outstanding 1,350 shares (March 31, 2024: 800 shares)	-	1,500,000	5,694,254	(7,194,254)	-	-
Additional paid-in capital	5,723,424	-	-	-	-	5,723,424
Retained earnings	5,258,603	8,490,860	(411,008)	(7,125,404)	-	6,213,051
Total stockholder's equity	10,982,027	9,990,860	5,283,246	(14,319,658)	-	11,936,475
Total liabilities and stockholder's equity	100,113,965	15,653,945	13,184,210	(8,824,817)	(3,040,716)	117,086,587

Indo Count Global Inc. and subsidiaries

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2. Statement of operations for the year ended March 31, 2025

Particulars

(All amounts are in United States Dollars, unless otherwise stated)

Particulars	For the year ended March 31, 2025					March 31, 2025 (Total)
	Indo Count Global Inc.	Fluvitex USA, Inc.	Modern Home Textiles Inc.	Consolidation adjustments	Intercompany eliminations	
Operating revenue	79,850,324	15,347,921	8,890,257	-	(3,276,994)	100,811,508
Less: sales returns, discounts, and allowances	(8,152,101)	-	(239,867)	-	-	(8,391,968)
Net operating revenue	71,698,223	15,347,921	8,650,390	-	(3,276,994)	92,419,540
Less: cost of revenue	(48,952,003)	(11,960,770)	(6,411,906)	(736,315)	3,276,994	(64,784,000)
Gross profit	22,746,220	3,387,151	2,238,484	(736,315)	-	27,635,540
Operating expenses						
Selling, general, and administrative expenses	20,199,561	957,138	1,364,309	(15,774)	-	22,505,234
Depreciation and amortization expense	1,216,218	747,669	149,850	381,073	-	2,494,810
Total operating expenses	21,415,779	1,704,807	1,514,159	365,299	-	25,000,044
Profit from operations	1,330,441	1,682,344	724,325	(1,101,614)	-	2,635,496
Other expenses						
Interest expense	2,030,488	64,392	-	153,686	-	2,248,566
Factoring expenses	280,656	-	-	-	-	280,656
Total other expenses	2,311,144	64,392	-	153,686	-	2,529,222
Income before income taxes	(980,703)	1,617,952	724,325	(1,255,300)	-	106,274
Income taxes						
Current tax expense	229,848	273,315	-	(342,120)	-	161,043
Deferred tax benefit	(134,731)	(261,069)	411,350	(77,884)	-	(62,334)
Total tax expense	95,117	12,246	411,350	(420,004)	-	98,709
Net income	(1,075,820)	1,605,706	312,975	(835,296)	-	7,565