

GREENLAM AMERICA, INC.

AUDIT REPORT

GREENLAM AMERICA, INC.

2023 - 2024

Independent Accountants Audit Report

Balance Sheet

Statement of Income

Statement of Retained Earnings

Statement of Cash Flows

Accounting Policies and Notes

Schedules forming part of the Accounts

VARKEY ASSOCIATES CPA,PA.

Certified Public Accountants

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GREENLAM AMERICA, INC.

VARKEY ASSOCIATES CPA, PA.

Certified Public Accountants

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Varkey Associates CPA, PA.

Certified Public Accountants

May 13, 2024

Miami, Florida

VARKEY ASSOCIATES CPA, PA.

Certified Public Accountants

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Pembroke Pines FL 33028

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The Board of Directors,

Greenlam America, Inc.

8750 NW 36th Street, Suite:635,

Doral, Florida 33178

We have audited the balance sheet of **Greenlam America, Inc.** (Type C corporation) as of March 31, 2024, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, and assessing the overall financial presentation. We believe that our audits provide a reasonable basis for expressing our opinion.

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


Varkey Associates CPA, PA.

Certified Public Accountants

May 10, 2024.

Miami, Florida.

GREENLAM AMERICA INC.

Balance Sheet

(As at 31st March, 2024)

	<u>Notes</u>		<i>March 2024</i>	<i>(US \$)</i>	<i>March 2023</i>
ASSETS:					
Current Assets					
Cash and Bank	A	53,498		360,130	
Accounts Receivables	B	2,347,998		1,999,729	
Prepaid Expenses	C	18,426		18,189	
Advance Tax	D	9,315		48,268	
Vendor Deposit	E	19,542		19,042	
Goods in Transit	F	617,727		540,521	
Inventories	G	653,221		637,629	
Total Current Assets			3,719,727		3,623,508
Fixed Assets					
Office Equipments	H	37,227		37,227	
Furniture & Fixtures	H	186,570		186,570	
Warehouse Equip & Fixtures	H	30,123		30,123	
(Less) Accumulated Depreciation		(156,041)		(131,669)	
Total Fixed assets			97,879		122,251
Goodwill					
Goodwill	I	900,000		900,000	
Less Acc. Amortization	I	(900,000)		(900,000)	
Total Other Assets			-		-
Total Assets			3,817,606		3,745,759
LIABILITIES & SHAREHOLDER'S EQUITY					
Current Liabilities					
Accounts Payable	J	709,368		240,627	
Accrued Expenses	K	180,627		196,849	
Deferred Income Tax Payable	L	25,938		25,673	
Income Tax Payable	M	8,098		7,142	
Deferred Rent (Short Term)	N	1,104		3,311	
Total Current Liabilities			925,135		473,602
Long Term Liabilities					
Deferred Rent	O	-		1,104	
Total Long Term Liabilities			-		1,104
Shareholder's Equity					
Capital Stock	P	1,600,000		1,600,000	
Retained Earnings	Q	1,292,471		1,671,053	
Total Shareholder's Equity			2,892,471		3,271,053
Total Liabilities & Shareholder's Equity			3,817,606		3,745,759

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st March, 2024)

		(US \$)	
Income		March 2024	March 2023
Gross Sales		16,217,522	16,439,442
Opening Inventory	1,178,150		1,555,394
Purchases	12,126,824		12,775,351
Other Cost	607,698		-
	<u>13,912,672</u>		<u>14,330,745</u>
Less Closing Inventory	1,270,948		1,178,150
Cost of Goods Sold		<u>12,641,724</u>	<u>13,152,595</u>
Gross Profit		<u>3,575,798</u>	<u>3,286,847</u>
General and Administrative Expenses			
Accounting Fee	21,000		21,000
Bank Service Charges	11,319		10,728
Consultancy Fee	223,886		223,767
Depreciation Expense	24,372		26,718
Insurance Expenses	56,418		74,066
Legal and Professional Fees	26,389		37,000
Office Expenses	7,001		5,612
Staff Welfare	2,085		499
Payroll Expenses	896,605		684,878
Postage and Shipping	16,383		25,857
Rent Expense	337,856		317,806
Income Taxes	302,191		318,605
Selling Expenses	364,313		205,759
Telephone and Fax Charges	27,753		30,774
Travel Expenses	99,935		81,060
Warehouse Expenses	95,392		131,073
Bad debts	1,482		-
Total Expenses		<u>2,514,380</u>	<u>2,195,202</u>
Profit from Operations		<u>1,061,418</u>	<u>1,091,645</u>
Other Income		-	200
Net Profit		<u><u>1,061,418</u></u>	<u><u>1,091,845</u></u>

GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2024)

	March 2024 (US\$)	March 2023
	<u>March 2024</u>	<u>March 2023</u>
Opening Retained Earnings balance	1,671,053	1,859,208
Net Income for the period	1,061,418	1,091,845
Dividend distribution during the period	(1,440,000)	(1,280,000)
Closing Balance	<u>1,292,471</u>	<u>1,671,053</u>
	<u>1,133,368</u>	<u>1,273,368</u>
	<u>53,498</u>	<u>360,130</u>

GREENLAM AMERICA INC.

Statement of Cash Flow

(For the year ended 31st March, 2024)

	(US \$)	
	March 2024	March 2023
Cash Flow from Operating Activities		
Net Income	1,061,418	1,091,845
Changes in Assets and Liabilities		
Increase/Decrease in Accounts Receivables	(348,269)	587,503
Increase/Decrease in Prepaid Expenses	(237)	1,235
Increase in Vendor Deposit/Advances	(500)	-
Increase/Decrease in Goods in Transit	(77,206)	424,302
Increase in Inventory	(15,592)	(47,058)
Increase/decrease in Accounts Payable	468,741	(714,081)
Decrease/Increase in Accrued Expenses	(16,222)	78,227
Increase in Provision (Income Tax)	956	6,105
Decrease in Advance tax	38,953	67,678
Increase in Deferred Income Tax	265	6,167
Decrease in deferred rent (Long term)	(2,207)	(3,311)
Decrease in deferred rent (Short term)	(1,104)	-
Depreciation	24,372	26,718
	<u>1,133,368</u>	<u>1,525,330</u>
Cash Flow from Investing Activities		
Increase in Fixed Asset	-	-
Dividend distribution	(1,440,000)	(1,280,000)
Accum Depreciation of Furniture & Fixtures	-	-
	<u>(1,440,000)</u>	<u>(1,280,000)</u>
Net Increase in Cash	(306,632)	245,330
Cash at the beginning of the period	360,130	114,800
Cash at the end of the period	<u><u>53,498</u></u>	<u><u>360,130</u></u>

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the year ended 31st March 2024)

Note 1: SIGNIFICANCE OF ACCOUNTING POLICIES

Disclosure of Accounting Policies:

Nature of Operations

The Company was incorporated under the laws of the State of Florida for the purpose of distributing decorative laminates of the highest quality for the office and home improvement, as well as the construction industry. Greenlam America Inc., is 100% owned by Greenlam Industries Limited which owns 100% share capital of "Greenlam America Inc."

Greenlam Industries Limited (GIL), had a consolidated revenue of \$251.48 Million for the year ended on March 31, 2024. The company was established with headquarters in Delhi, as India's Premier Interior Infrastructure Company.

Greenlam manufactures Decorative laminates, Compact Boards, Decorative Plywood, Engineered Wooden Flooring, Engineered Door, Door Leaf, Clad and allied products. It distributes laminates to an extensive dealer network spread all over the World.

Greenlam, the flagship decorative laminate brand from Greenlam Industries Limited, is one of India's fastest selling brands and currently it is being exported to 100 plus countries including Canada, USA, Mexico, Colombia, Salvador, Ecuador, Guatemala, UK, Germany, Switzerland, Italy, Netherlands, Poland, Turkey, Australia, New Zealand, Thailand, Indonesia, Taiwan, Hong Kong, China, Malaysia, Singapore, Dubai and Israel.

Revenue and Cost Recognition

The financial statements are prepared using US Generally Accepted Accounting Principles (GAAP), using the accrual method, which requires income to be recognized when earned and expenses when incurred.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America.

Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

See Accountant's report

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the year ended 31st March 2024)

Valuation of Inventory

The company purchases most of its inventory from its parent company (Greenlam Industries Limited). Inventories are carried at the lower of cost and net realizable value. Inventory values are maintained using the "weighted average" method, under a perpetual system, where the cost is adjusted by item, as new units with different pricing are added to the inventory, and old units are sold, "weighted" cost changes.

Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts of payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. Cash and cash equivalents on the balance sheet typically comprise cash at bank.

Contingencies and Subsequent Events

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on each account, where disclosure is needed.

Fixed Assets and Depreciation

Fixed Assets are shown on the balance sheet net of accumulated depreciation at Original Cost minus Depreciation (Book Value). Depreciation is provided for on Straight Line Method and Double declining Balance method is applied for Federal Income Tax Purposes.

Goodwill

In the year 2014, Corporation acquired Goodwill from Keystone Laminates Inc. for a total consideration of \$900,000 and the consideration is payable in 36 months. The Goodwill is shown on the balance sheet net of accumulated amortization at Original Cost minus Amortization (Book Value). Amortization is provided for on Straight Line Method (five years) for Federal Income Tax Purposes.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.


See Accountant's report

GREENLAM AMERICA INC.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES

TO THE FINANACIAL STATEMENTS

(For the year ended 31st March 2024)

Accounting for Taxes on Income

The Company is responsible for Federal and State Income tax as a C corporation. For the year ended March 31, 2024, income tax is accounted for \$302,190 including deferred taxes of \$265. Deferred taxes are temporary depreciation timing difference.

Related Party Disclosures

Disclosure of related parties as required by the accounting standards is furnished in the Notes on Accounts.

Note 2: NOTES ON ACCOUNT

Accounts Receivable and Allowance for Doubtful Accounts

Accounts Receivable

The Company's credit policy with its customers typically varies from advance payments at the beginning of the commercial relationship, to 90 day terms based on the creditworthiness and payment experience. Receivables are insured through Euler Hermes Credit Insurance policy.

Allowance for Doubtful Accounts and Bad Debt

Management recognizes Bad Debts using the Allowance Method.

Vendor Deposits

The Company has deposits outstanding with landlords, vendors for advance rents, utilities and other service companies such as delivery and freight as follows:

			Monthly	Total
Adopt A plant leasing Company	April 2019 - 2024	3 Months	\$11,633	\$34,900
Ritz 24B, Inc.			13,500	
Hines VAF II Doral	April 2019 - June 2024	3 Months	5,913	\$37,200
			<u>19,542</u>	

Purchases

Purchases from Parent company	12,116,455
Others	<u>10,370</u>
	<u>12,126,825</u>

Other Cost

Number	Type	Par Value	Total value
1,600,000	Common	\$1.00	305,767
			<u>301,931</u>
			<u>607,698</u>


See Accountant's report

GREENLAM AMERICA INC.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES

TO THE FINANCIAL STATEMENTS

(For the year ended 31st March 2024)

Accounts Payable

The Company purchases most of its products from its parent Greenlam as needed, as such. The majority of amounts under Accounts Payable, besides Freight and other charges, at the end of this fiscal year were owed to Greenlam Industries Limited, with an outstanding payable of \$583,342.

Accrued Expenses

The Company accrues for utility bills and General Administrative expenses as invoices are received from these vendors. Company also accrues bonus and commission on sales.

Long-term Commitments

The Company has following open agreement with landlord:

Type	Location	Date	Length	Monthly	Total
Office Lease	Miami	April 2019 - July 2024	4 Months	\$7,128	\$28,512
Warehouse Lease	PA	April 2019 - June 2024	3 Months	\$5882	\$17,646

The Company has following five year agreement with following Parties:

Parties	Location	Date	Length	Monthly	Total
Keystone Laminates Inc. Consultancy	PA	April 2019 - June 2024	3 Months	\$11,633	\$34,900
Employment Contract	PA	April 2019 - June 2024	3 Months	\$12,400	\$37,200

Capital Stock

As of March 31, 2023, shares subscribed and paid up were:

Number	Type	Par Value	Total value
1,600,000	Common	\$1.00	\$1,600,000

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2024)

		(US\$)
	March 2024	March 2023
A	Cash and Bank	
	Citi Bank NA.	360,064
	Cash in Hand	66
	<u>52,932</u>	
	<u>566</u>	
	<u>53,498</u>	<u>360,130</u>
B	Accounts Receivables	
	Total Debtors	1,999,729
	Less-Provisions for Doubtful Debts	-
	<u>2,347,998</u>	
	<u>-</u>	<u>1,999,729</u>
C	Prepaid Expenses	
	Credit Insurance	5,189
	Guest House Rent	13,000
	<u>5,426</u>	
	<u>13,000</u>	<u>18,189</u>
	<u>18,426</u>	
D	Advance Tax	
	9,315	48,268
	<u>9,315</u>	<u>48,268</u>
E	Vendor Deposit	
	Hines VAF II Doral, L.P.	5,913
	Ritz 24B, Inc.	13,500
	Adopt A Plant	129
	<u>5,913</u>	
	<u>13,500</u>	<u>19,042</u>
	<u>129</u>	
	<u>19,542</u>	
F	Goods in Transit	
	Goods in Transit	540,521
	<u>617,727</u>	
	<u>617,727</u>	<u>540,521</u>
G	Inventory	
	Pennsylvania WH	565,883
	VMI Colombia	71,746
	<u>611,666</u>	
	<u>41,555</u>	<u>637,629</u>
	<u>653,221</u>	

GREENLAM AMERICA INC.

(As at 31st March, 2024)

H

Fixed Assets

Assets	Original cost	Additions during the year	Disposal during the year	Cost as at 31 March 2024	Accum. Depreciation at March 31, 2023	Depreciation for the year	Depreciation on Disposals for the year	Accum Depr at 31 March 2024	Carrying Value
Office Equipment	37,227	-	-	37,227	13,884	2,380	-	16,264	20,963
Furniture & Fixtures	186,570	-	-	186,570	87,694	21,960	-	109,654	76,916
Warehouse Equipment	30,123	-	-	30,123	30,091	32	-	30,123	-
Total	253,920	-	-	253,920	131,669	24,372	-	156,041	97,879

I

Goodwill

Assets	Original cost	Additions during the year	Cost as at 31 March 2024	Accumulated Amortization till March 31 2022	Amortization for the year	Accumulated Amortization at 31 March 2023	Carrying Value
Goodwill	900,000	-	900,000	900,000	-	900,000	-
Total	900,000	-	900,000	900,000	-	900,000	-

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2024)

		(US\$)	
		<i>March 2024</i>	<i>March 2023</i>
J	Accounts Payable		
	Greenlam Industries Limited, Holding Company	583,342	112,893
	Other Payables	126,026	127,734
		<u>709,368</u>	<u>240,627</u>
K	Accrued Expenses and Provisions		
	Freight, Duties and Clearing	2,927	7,082
	Sale Promotions	-	-
	Bonus and Commission	177,700	181,490
	Legal, Professional	-	5,750
	Warehousing	-	-
	Consultancy	-	2,527
		<u>180,627</u>	<u>196,849</u>
L	Deferred Income Tax Liability		
	Federal Income Tax	20,555	25,673
	Florida state Income tax	5,383	-
		<u>25,938</u>	<u>25,673</u>
M	Provision for Income taxes		
	Federal and State Income Tax (Payable)	8,098	7,142
		<u>8,098</u>	<u>7,142</u>
N	Deferred Rent (Short term)		
	Deferred Rent (Short term)	1,104	3,311
		<u>1,104</u>	<u>3,311</u>
O	Deferred Rent (Long term)		
	Deferred Rent (Long term)	-	1,104
		<u>-</u>	<u>1,104</u>
P	Capital Stock		
	Issued Subscribed and Paid up	1,600,000	1,600,000
		<u>1,600,000</u>	<u>1,600,000</u>
Q	Retained Earnings		
	Opening Balance as of 1st April	1,671,053	1,859,208
	Net Income for the Year	1,061,418	1,091,845
	Dividend distribution during the period	(1,440,000)	(1,280,000)
	Balance as on 31st March	<u>1,292,471</u>	<u>1,671,053</u>



The accompanying reports and notes are integral parts of these statements