

AUDIT REPORT
GREENLAM AMERICA, INC.
2022 - 2023

Varkey Associates CPA,PA.
Certified Public Accountants

1806 N. Flamingo Road, Suite 340
Pembroke pines, FL 33028
Phone: 786-473-3213
Fax: 954-362-5210
Email: bv@varkeycpa.com
Web: www.varkeycpa.com

Varkey Associates CPA, PA.
Certified Public Accountants

1806 N Flamingo Road, Suite 340,
Pembroke Pines FL 33028
Phone: 786-473-3213
Fax: 954-362-5210
Email: bv@varkeycpa.com
Web: www.varkeycpa.com

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, 2023, 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 2023, 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 8, 2023.
Miami, Florida.

GREENLAM AMERICA, INC.

TABLE OF CONTENTS

	Page
Independent Accountants Audit Report	2
Balance Sheet	3
Statement of Income	4
Statement of Retained Earnings	5
Statement of Cash Flows	6
Accounting Policies and Notes	7-10
Schedules forming part of the Accounts	11-13

GREENLAM AMERICA INC.

Balance Sheet

(As at 31st March, 2023)

	<i>Notes</i>		<i>(US \$)</i>	
		<i>March 2023</i>		<i>March 2022</i>
ASSETS:				
Current Assets				
Cash and Bank	A	360,130	114,800	
Accounts Receivables	B	1,999,729	2,587,232	
Prepaid Expenses	C	18,189	19,424	
Advance Tax	D	48,268	115,946	
Vendor Deposit	E	19,042	19,042	
Goods in Transit	F	540,521	964,823	
Inventories	G	637,629	590,571	
Total Current Assets		3,623,508		4,411,838
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		(131,669)	(104,951)	
Total Fixed assets		122,251		148,969
Goodwill				
Goodwill	I	900,000	900,000	
Less Acc. Amortization	I	(900,000)	(900,000)	
Total Other Assets		-		-
Total Assets		3,745,759		4,560,807
LIABILITIES & SHAREHOLDER'S EQUITY				
Current Liabilities				
Accounts Payable	J	240,627	954,708	
Accrued Expenses	K	196,849	118,622	
Deferred Income Tax Payable	L	25,673	19,506	
Income Tax Payable (State)	M	7,142	1,037	
Deferred Rent (Short Term)	N	3,311	3,311	
Total Current Liabilities		473,602		1,097,184
Long Term Liabilities				
Deferred Rent	O	1,104	4,415	
Total Long Term Liabilities		1,104		4,415
Shareholder's Equity				
Capital Stock	P	1,600,000	1,600,000	
Retained Earnings	Q	1,671,053	1,859,208	
Total Shareholder's Equity		3,271,053		3,459,208
Total Liabilities & Shareholder's Equity		3,745,759		4,560,807



The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st March, 2023)

		(US \$)	
Income		March 2023	March 2022
Gross Sales	16,439,442	16,406,652	
Opening Inventory	1,555,394	1,227,517	
Purchases	12,775,351	13,517,047	
	14,330,745	14,744,564	
Less Closing Inventory	1,178,150	1,555,394	
Cost of Goods Sold		13,152,595	13,189,170
Gross Profit		3,286,847	3,217,482
General and Administrative Expenses			
Accounting Fee	21,000	18,000	
Bank Service Charges	10,728	11,346	
Consultancy Fee	223,767	195,055	
Depreciation Expense	26,718	13,299	
Insurance Expenses	74,066	73,729	
Legal and Professional Fees	37,000	38,755	
Office Expenses	5,612	3,814	
Staff Welfare	499	1,681	
Payroll Expenses	684,878	575,322	
Postage and Shipping	25,857	15,634	
Rent Expense	317,806	246,611	
Income Taxes	318,605	391,208	
Repairs and Maintenance	-	434	
Selling Expenses	205,759	65,128	
Telephone and Fax Charges	30,774	26,201	
Travel Expenses	81,060	64,934	
Warehouse Expenses	131,073	114,731	
Bad debts	-	40,725	
Total Expenses		2,195,202	1,896,607
Profit from Operations		1,091,645	1,320,875
Other Income		200	-
Net Profit		1,091,845	1,320,875



GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2023)

	<i>(US\$)</i>	
	<u><i>March 2023</i></u>	<u><i>March 2022</i></u>
Opening Retained Earnings balance	1,859,208	1,578,333
Net Income for the period	1,091,845	1,320,875
Dividend distribution during the period	(1,280,000)	(1,040,000)
Closing Balance	<u><u>1,671,053</u></u>	<u><u>1,859,208</u></u>



page 5

The accompanying reports and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Cash Flow

(For the year ended 31st March, 2023)

		(US \$)	
	March 2023		March 2022
Cash Flow from Operating Activities			
Net Income	1,091,845		1,320,875
Changes in Assets and Liabilities			
Decrease/Increase in Accounts Receivables	587,503	(251,559)	
Decrease/Increase in Prepaid Expenses	1,235	(10,311)	
Increase in Vendor Deposit/Advances	-	(12,973)	
Decrease in Goods in Transit	424,302	(364,810)	
Increase/Decrease of Inventory	(47,058)	36,932	
Decrease/Increase of Accounts Payable	(714,081)	342,255	
Increase in Accrued Expenses	78,227	103,283	
Increase in Provision (Income Tax)	6,105	660	
Decrease/Increase in Advance tax	67,678	(87,835)	
Increase in Deferred Income Tax	6,167	19,506	
Increase in deferred rent (Long term)	(3,311)	(3,311)	
Depreciation	26,718	13,299	(214,864)
	1,525,330		1,106,011
Cash Flow from Investing Activities			
Increase in Fixed Asset	-	(104,444)	
Dividend distribution	(1,280,000)	(1,040,000)	
Accum Depreciation of Furniture & Fixtures	-	-	(1,144,444)
Net Increase in Cash	245,330		(38,433)
Cash at the beginning of the period	114,800		153,233
Cash at the end of the period	360,130		114,800



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2023)

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), is a \$251.26 Million Company as on March 31, 2023, with headquarters in Delhi, India, where it is established 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. In addition, it owns this company (Greenlam America Inc.), Greenlam South Limited (Indian Subsidiary Co.) and Singapore subsidiary (Greenlam Asia Pacific PTE, Ltd).

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 more than 110 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.



See Accountant's report

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2023)

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.

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.



See Accountant's report

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2023)

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.

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, 2023, income tax is accounted for \$318,605 including deferred taxes of \$6167. 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. Total amount provided for doubtful debts as on March 31, 2023 is NIL

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:

Adopt A plant leasing Company	129
Ritz 24B, Inc.	13,000
Hines VAF II Doral	5,913
	<u>19,042</u>

Purchases

Purchases from Parent company	12,030,323
Others	745,028
	<u>12,775,331</u>


See Accountant's report

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANCIAL STATEMENTS
(For the Year ended 31st March 2023)

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 \$ 112,894.

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 2020 - July 2024	16 Months	\$6,279	\$ 100,464
Warehouse Lease	PA	April 2020 - June 2024	15 Months	\$5,849	\$ 87,735

The Company has following five year agreement with following Parties:

Parties	Location	Date	Length	Monthly	Total
Keystone Laminates Inc. Consultancy	PA	April 2020 - June 2024	15 Months	\$ 11,633	\$ 174,495
Sonal Detroja Employment	PA	April 2020 - June 2024	15 Months	\$9,250	\$ 138,750

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


See Accountant's report

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2023)

		(US\$)	
		<i>March 2023</i>	<i>March 2022</i>
A	Cash and Bank		
	Citi Bank NA.	360,064	114,234
	Cash in Hand	66	566
		<u>360,130</u>	<u>114,800</u>
B	Accounts Receivables		
	Total Debtors	1,999,729	2,627,957
	Less-Provisions for Doubtful Debts	-	(40,725)
		<u>1,999,729</u>	<u>2,587,232</u>
C	Prepaid Expenses		
	Credit Insurance	5,189	6,424
	Guest House Rent	13,000	13,000
		<u>18,189</u>	<u>19,424</u>
D	Advance Tax	48,268	115,946
		<u>48,268</u>	<u>115,946</u>
E	Vendor Deposit		
	Hines VAF II Doral, L.P.	5,913	5,913
	Ritz 24B, Inc.	13,000	13,000
	Adopt A Plant	129	129
		<u>19,042</u>	<u>19,042</u>
F	Goods in Transit		
	Goods in Transit	540,521	964,823
		<u>540,521</u>	<u>964,823</u>
G	Inventory		
	Pennsylvania WH	565,883	498,855
	VMI Colombia	71,746	91,716
		<u>637,629</u>	<u>590,571</u>



The accompanying reports and notes are integral parts of these statements

GRENLAM AMERICA INC.

(As at 31st March, 2023)

H

Fixed Assets

Assets	Original cost	Additions during the year	Disposal during the year	Cost as at 31 March 2023	Accum. Depreciation at March 31, 2022	Depreciation for the year	Depreciation on Disposals for the year	Accum Depr at 31 March 2023	Carrying Value
Office Equipment	37,227	-	-	37,227	11,762	2,122	-	13,884	23,343
Furniture & Fixtures	186,570	-	-	186,570	63,407	24,287	-	87,694	98,876
Warehouse Equipment	30,123	-	-	30,123	29,782	309	-	30,091	32
Total	253,920	-	-	253,920	104,951	26,718	-	131,669	122,251

I

Goodwill

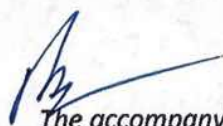
Assets	Original cost	Additions during the year	Cost as at 31 March 2023	Accumulated Amortization till March 31, 2022	Amortization for the year	Accumulated Amortization at 31 March 2023	Carrying Value
Goodwill	900,000	-	900,000	900,000	-	900,000	-
Total	900,000	-	900,000	900,000	-	900,000	-

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2023)

		(US\$)
	<i>March 2023</i>	<i>March 2022</i>
J	Accounts Payable	
	Greenlam Industries Limited, Holding Company	867,296
	Other Payables	87,412
	240,627	954,708
K	Accrued Expenses and Provisions	
	Freight, Duties and Clearing	31,382
	Sale Promotions	188
	Bonus and Commission	79,552
	Legal, Professional	-
	Warehousing	7,500
	Consultancy	-
	196,849	118,622
L	Deferred Income Tax Liability	
	Federal Income Tax	16,696
	Florida state Income tax	2,810
	25,673	19,506
M	Provision for Income taxes	
	Federal and State Income Tax (Payable)	1,037
	7,142	1,037
N	Deferred Rent (Short term)	
	Deferred Rent (Short term)	3,311
	3,311	3,311
O	Deferred Rent (Long term)	
	Deferred Rent (Long term)	4,415
	1,104	4,415
P	Capital Stock	
	Issued Subscribed and Paid up	1,600,000
	1,600,000	1,600,000
Q	Retained Earnings	
	Opening Balance as of 1st April	1,578,333
	Net Income for the Year	1,320,875
	Dividend distribution during the period	(1,040,000)
	Balance as on 31st March	1,859,208



The accompanying reports and notes are integral parts of these statements