

AUDIT REPORT
GREENLAM AMERICA, INC.
2014 - 2015

Varkey Associates CPA,PA.
Certified Public Accountants

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GREENLAM AMERICA, INC.

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The Board of Directors,

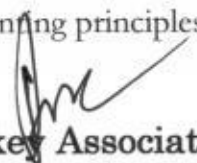
GREENLAM AMERICA, INC

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, 2015, 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 2015 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 15, 2015
Miami, Florida.

GREENLAM AMERICA INC.

Balance Sheet

(As at 31st March, 2015)

(US \$)

	<u>Notes</u>	<u>March 2015</u>	<u>March 2014</u>
ASSETS:			
Current Assets			
Cash and Bank	A	16,781	20,972
Accounts Receivables	B	3,817,482	2,299,147
Other Receivables	C	-	44,653
Prepaid Expenses	D	2,768	1,639
Loans to Employees	E	-	10,000
Vendor Deposit	F	13,769	22,620
Inventories	G	660,876	48,408
Total Current Assets		4,511,676	2,447,439
Fixed Assets			
Office Equipments	H	73,467	32,389
Furniture & Fixtures	H	70,706	45,213
Warehouse Equip & Fixtures	H	25,380	-
(Less) Accumulated Depreciation		(82,470)	(56,797)
Total Fixed assets		87,083	20,805
Goodwill			
Goodwill	I	900,000	
Less Acc. Amortization		(180,000)	
Total Other Assets		720,000	
Total Assets		5,318,759	2,468,244
LIABILITIES & SHAREHOLDER'S EQUITY			
Current Liabilities			
Accounts Payable	J	2,544,350	123,646
Accrued Expenses	K	62,776	5,618
Accrued Interest	L	3,638	3,698
Customer's Deposits	M	5,000	5,000
Loans and Advances	N	1,940,000	1,940,000
Total Current Liabilities		4,555,764	2,077,962
Shareholder's Equity			
Capital Stock	O	1,600,000	1,600,000
Retained Earnings	P	(837,005)	(1,209,718)
Total Shareholder's Equity		762,995	390,282
Total Liabilities & Shareholder's Equity		5,318,759	2,468,244

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The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st march, 2015)

(US \$)

Income		March 2015	March 2014
Gross Sales		11,435,169	7,646,732
Opening Inventory	48,408		178,273
Purchases	9,677,817		5,774,374
	<u>9,726,225</u>		<u>5,952,647</u>
Less Closing Inventory	660,876		48,408
Cost of Goods Sold		<u>9,065,349</u>	<u>5,904,239</u>
Gross Profit		2,369,820	1,742,493
General and Administrative Expenses			
Accounting Fee	15,000		15,000
Amortization Expense	180,000		-
Bad debts	11,669		-
Bank Service Charges	36,232		49,649
Consultancy Fee	99,211		5,979
Depreciation Expense	25,673		10,151
Insurance Expenses	41,420		27,379
Legal and Professional Fees	15,473		26,020
Office Expenses	9,014		4,913
Staff Welfare	15,927		4,531
Payroll Expenses	645,347		439,784
Postage and Shipping	29,786		12,094
Rent Expense	120,694		62,923
Rent and Rebate	2,579		343
Repairs and Maintenance	5,888		3,054
Selling Expenses	402,616		255,606
Telephone and Fax Charges	43,184		36,545
Travel Expenses	205,682		120,440
Recruitment Expenses	904		590
Warehouse Expenses	45,364		159
Utilities expenses	2,047		-
Loss on sale of Assets	-		162,789
Total Expenses		<u>1,953,710</u>	<u>1,237,949</u>
Profit from Operations		416,110	504,544
Other Expenses			
Interest Expense		<u>43,397</u>	<u>41,334</u>
Net Profit		<u>372,713</u>	<u>463,210</u>

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The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2015)

(US\$)

	<i>March 2015</i>	<i>March 2014</i>
Opening Retained Earnings balance	(1,209,718)	(1,672,928)
Net Income for the period	372,713	463,210
Closing Balance	<u>(837,005)</u>	<u>(1,209,718)</u>



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GREENLAM AMERICA INC.

Statement of Cash Flows

(For the year ended 31st March, 2015)

(US \$)

March 2015

March 2014

Cash Flow from Operating Activities

Net Income	372,713	463,210
Changes in Assets and Liabilities		
Increase in Accounts Receivables	(1,518,336)	(556,714)
Increase in Prepaid Expenses	(1,128)	(20)
Decrease/Increase in Employee Advanc	10,000	(8,637)
Decrease/Increase in Vendor Deposit	8,851	(15,703)
Increase/Decrease of Inventory	(612,468)	129,865
Increase/Decrease of Accounts Payable	2,420,704	(411)
Increase in Customer Deposits	-	(35,000)
Increase/Decrease in Accrued Liabilities	57,158	(2,339)
Amortization of Goodwill	180,000	
Depreciation	25,672	10,151
Decrease in Insurance Receivables	44,654	
Increase in Accrued Interest Payable	(60)	615,047
	<u>987,760</u>	<u>3,698</u>
		(475,110)
		(11,900)

Cash Flow from Investing Activities

Acquisition of Fixed Assets	(91,951)	(12,966)
Acquisition of Goodwill	(900,000)	<u>(991,951)</u>
		<u>(12,966)</u>
Net Decrease in Cash	(4,191)	(24,866)
Cash at the beginning of the period	20,972	45,838
Cash at the end of the period	<u><u>16,781</u></u>	<u><u>20,972</u></u>

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The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANCIAL STATEMENTS
(For the Year ended 31st March 2015)

Note 1: SIGNIFICANTS 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., was 100% owned by Greenply Industries Limited and following demerger of parent company, new corporation " Greenlam Industries Limited is formed and the New entity owned 100% share capital of "Greenlam America Inc."

Under Internal revenue Code Sections 354, 355, 356 and 368, the demerger appears as Divisive Reorganization and conforms to the tax free reorganization rules prescribed by the Internal Revenue Code and the Regulations there under. Accordingly, there should be no US tax consequences either to "Greenply or Greenlam".

Greenlam Industries Limited (GIL), is a \$150 Million company, 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 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.) and a 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 100 countries including Canada, USA, Mexico, Colombia, Peru, Salvador, Ecuador,

See Accountant's report



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2015)

Guatemala, Chile, 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.

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.

See Accountant's report



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANCIAL STATEMENTS
(For the Year ended 31st March 2015)

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 as used for Federal Income Tax Purposes.

Goodwill

During the year, 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 as used 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.

Accounting for Taxes on Income

The Company is responsible for Federal and State Income tax as a C corporation. Due to Net Operating Loss Deduction, for the year ended 31st March 2015, the company does not have any tax liability.

Related Party Disclosures

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

See Accountant's report



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2015)

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.

Allowance for Doubtful Accounts and Bad Debt

Management recognizes Bad Debts using the Allowance Method and assigning a risk probability percentage to every outstanding receivable amount.

Employee Advances

Due to the nature of the industry and the emphasis on increasing market share and sales, the company extends short-term advances to its key employees, to cover travel expenses and some other business expenses which are submitted as part of the expense report system for reconciliation and control.

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
Crystal Springs	27
Hines VAF II Doral	8,413
James A. Rodriguez	<u>5,200</u>
	<u>13,769</u>

See Accountant's report



GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2015)

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 \$1,858,354.

Accrued Expenses

The Company accrues for utility bills, as well as other General and Administrative expenses as invoices are received from these vendors. The company enters these bills as received from Vendors.

Long-term Commitments

The Company has following open agreement with landlord:

Type	Location	Date	Length	Monthly	Total
Office	Miami	April 2015 - May 2019	50 Months	\$ 4,428	\$ 221,383
Warehouse	PA	April 2015 - June 2019	51 Months	\$5,181	\$ 264,219

Capital Stock

As of March 31, 2015, 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, 2015)

(US\$)

		<i>March 2015</i>	<i>March 2014</i>
<i>A</i>	Cash and Bank		
	Banco Popular NA/Citi Bank	16,413	20,654
	Cash in Hand	368	318
		<u>16,781</u>	<u>20,972</u>
<i>B</i>	Accounts Receivables		
	Total Debtors	3,817,482	2,299,145
	Less-Provisions for Doubtful Debts	-	-
		<u>3,817,482</u>	<u>2,299,145</u>
<i>C</i>	Other Receivables		
	United India Insurance Company Limited	-	44,653
		<u>-</u>	<u>44,653</u>
<i>D</i>	Prepaid Expenses		
	General Liability Insurance	2,768	1,639
		<u>2,768</u>	<u>1,639</u>
<i>E</i>	Loans to employees		
	Advance payment to Vaibhav Sharma	-	10,000
		<u>-</u>	<u>10,000</u>
<i>F</i>	Vendor Deposit		
	Royal Palms Doral	-	6,890
	Crystal Springs	27	27
	Best Ply Supplies	-	490
	Hines VAF II Doral, L.P.	8,413	8,413
	James A. Rodriguez	5,200	5,200
	US Customs and Border Protection	-	1,600
	Adopt A Plant	129	-
		<u>13,769</u>	<u>22,620</u>
	Inventory		
<i>G</i>	Miami	-	48,408
	Pennsylvania	660,876	-
		<u>660,876</u>	<u>48,408</u>

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The accompanying reports and notes are integral parts of these statements



GREENLAM AMERICA, INC.

Schedules forming part of the Accounts

(As at 31st March, 2015)

H

Fixed Assets

Assets	Deprecia tion Method	Years	Original cost	Additions during the year	Cost as at 31 March 2015	Accumulated Depreciation till March 31 2014	Depreciation for the year	Accumulated Depreciation at 31 March 2015	Carrying Value
Office Equipment	SL	5	45,213	28,254	73,467	37,212	10,866	48,078	25,389
Furniture & Fixtures	SL	7	32,389	38,317	70,706	19,585	12,089	31,674	39,032
Warehouse Equip & Fixtures	SL	7	-	25,380	25,380	-	2,718	2,718	22,662
Total			77,602	91,951	169,553	56,797	25,673	82,470	87,083

I

Goodwill

Assets	Amortiza tion Method	Years	Original cost	Additions during the year	Cost as at 31 March 2015	Accumulated Amortization till March 31 2014	Amortization for the year	Accumulated Amortization at 31 March 2015	Carrying Value
Goodwill	SL	5	900,000	-	900,000	-	180,000	180,000	720,000
Total			900,000	-	900,000	-	180,000	180,000	720,000

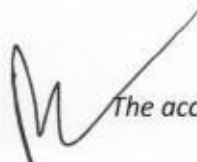


GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2015)

			(US\$)
		March 2015	March 2014
<i>J</i>	Accounts Payable		
	Greenlam Industries Limited, Holding Company	1,858,354	78,774
	Other Payables	685,996	44,873
		<u>2,544,350</u>	<u>123,647</u>
<i>K</i>	Accrued Expenses and Provisions		
	Bank charges (SBLC Commissions)	8,900	5,618
	Freight and Duties	53,876	
		<u>62,776</u>	<u>5,618</u>
<i>L</i>	Accrued Interest		
	Citi Bank	3,638	3,698
		<u>3,638</u>	<u>3,698</u>
<i>M</i>	Customer Deposits		
	Produits Forestiers Inc. CJP	5,000	5,000
		<u>5,000</u>	<u>5,000</u>
<i>N</i>	Loans and Advances		
	Citi Bank NA	940,000	940,000
	Citi Bank NA	1,000,000	1,000,000
		<u>1,940,000</u>	<u>1,940,000</u>
<i>O</i>	Capital Stock		
	Issued Subscribed and Paid up	1,600,000	1,600,000
		<u>1,600,000</u>	<u>1,600,000</u>
<i>P</i>	Retained Earnings		
	Opening Balance as of 1st April	(1,209,718)	(1,672,928)
	Net Income for the Year	372,713	463,210
	Balance as on 31st March	<u>(837,005)</u>	<u>(1,209,718)</u>



The accompanying reports and notes are integral parts of these statements