AUDIT REPORT

GREENLAM AMERICA, INC.

2019 - 2020

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

GREENLAM AMERICA, INC.

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The accompanying report and notes are integral parts of these statements

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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, 2020, 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 2020 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 26, 2020.
Miami, Florida.

GREENLAM AMERICA INC.
Balance Sheet

(As at 31st March, 2020)

	Notes		March 2020	(US $)	March 2019
ASSETS:					
Current Assets					
Cash and Bank	A	46,106		23,441	
Accounts Receivables	B	2,711,619		2,740,884	
Prepaid Expenses	C	9,971		17,061	
Vendor Deposit	D	13,769		101,183	
Goods in Transit	E	183,971		343,932	
Inventories	F	547,720		578,896	
Total Current Assets			3,513,156		3,805,397
Fixed Assets					
Office Equipments	G	32,504		32,504	
Furniture & Fixtures	G	86,849		86,849	
Warehouse Equip & Fixtures	G	30,123		30,123	
(Less) Accumulated Depreciation		(81,611)		(70,891)	
Total Fixed assets			67,865		78,585
Goodwill					
Goodwill	H	900,000		900,000	
Less Acc. Amortization	H	(900,000)		(900,000)	
Total Other Assets			-		-
Total Assets			3,581,021		3,883,982
LIABILITIES & SHAREHOLDER'S EQUITY					
Current Liabilities					
Accounts Payable	I	105,761		44,875	
Accrued Expenses	J	275,798		91,226	
Accrued Interest	K	842		1,190	
Income Tax Payable (State)	L	12,672		-	
Deferred Rent (Short Term)	M	3,311		-	
Loans and Advances	N	675,000		500,000	
Total Current Liabilities			1,073,384		637,291
Long Term Liabilities					
Deferred Rent	O	11,038			
Total Long Term Liabilities			11,038		-
Shareholder's Equity					
Capital Stock	P	1,600,000		1,600,000	
Retained Earnings	Q	896,599		1,646,691	
Total Shareholder's Equity			2,496,599		3,246,691
Total Liabilities & Shareholder's Equity			3,581,021		3,883,982

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st march, 2020)

			(US $)	
Income		***March 2020***		***March 2019***
Gross Sales		13,288,598		15,139,540
Opening Inventory	922,838		1,025,180	
Purchases	10,372,292		11,461,239	
	11,295,130		12,486,419	
Less Closing Inventory	731,691		922,838	
Less Obslete Inventory			69,417	
Cost of Goods Sold		10,563,439		11,632,998
Gross Profit		**2,725,159**		**3,506,542**
General and Administrative Expenses				
Accounting Fee	18,000		18,000	
Amortization Expense	-		180,000	
Bank Service Charges	29,201		30,494	
Consultancy Fee	176,314		207,054	
Depreciation Expense	10,720		14,130	
Loss on Sale of Assets	-		9,604	
Insurance Expenses	75,604		84,206	
Legal and Professional Fees	23,460		30,470	
Office Expenses	8,786		7,482	
Staff Welfare	1,202		529	
Payroll Expenses	1,115,269		1,177,627	
Postage and Shipping	28,333		27,955	
Rent Expense	165,761		157,705	
Income Taxes	212,672		244,222	
Rates and Taxes	-		206	
Repairs and Maintenanace	606		13,006	
Selling Expenses	60,399		156,831	
Telephone and Fax Charges	23,811		27,094	
Travel Expenses	183,248		212,994	
Warehouse Expenses	80,867		106,131	
Bad debts	522		-	
Utilities expenses	-		1,852	
Total Expenses		**2,214,775**		**2,707,592**
Profit from Operations		**510,384**		**798,950**
Other Income		194,919		58,959
Other Expense (Bank Interest)		15,395		23,596
Net Profit		**689,908**		**834,313**

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GREENLAM AMERICA INC.

Statement of Cash Flow

(For the year ended 31st March, 2020)

		(US $)		
		March 2020		*March 2019*
Cash Flow from Operating Activities				
Net Income		**689,908**		**834,313**
Changes in Assets and Liabilities				
Decrease/Increase in Accounts Receivabl	29,265		(179,666)	
Fed Tax	-		18,347	
Increase/Decrease in Prepaid Expenses	7,090		(11,834)	
Decrease in Vendor Deposit/Advances	87,414		(87,414)	
Increase in Goods in Transit	159,961		55,147	
Decrease/Increase of Inventory	31,176		47,206	
Decrease/Increase of Accounts Payable	60,886		(581,824)	
Decrease/Increase in Accrued Expenses	184,572		2,809	
Increase/Decrease in Accrued Interest	(348)		1,190	
Provision (Income Tax)	12,672		-	
Income Tax Payable (State)	-		(19,121)	
Customer deposit	-		(5,000)	
Increase in deferred rent (Short term)	3,311			
Increase/decrease in Line of Credit	175,000		(275,000)	
Increase in deferred rent (Long term)	11,038			
Amortization of Goodwill	-		180,000	
Depreciation	10,720	772,757	14,130	(841,030)
		1,462,665		**(6,717)**
Cash Flow from Investing Activities				
Dividend distribution	(1,440,000)			
Increase of Fixed Assets				
Disposal of Office Equipments	-		15,303	
Disposal of Furniture and Fixtures	-		29,433	
Accum Depreciation of Office Equipment	-		(13,827)	
Accum Depreciation of Furniture &Fixtur	-	**(1,440,000)**	(21,304)	9,605
Net Decrease in Cash		**22,665**		**2,888**
Cash at the beginning of the period		23,441		20,553
Cash at the end of the period		**46,106**		**23,441**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2020)

(US$)

		March 2020	*March 2019*
Opening Retained Earnings balance		**1,646,691**	**812,378**
Net Income for the period		689,908	834,313
Dividend distribution during the period			
Paid to Share holder	1,224,000		
Tax liability deducted and paid	216,000	(1,440,000)	
Closing Balance		**896,599**	**1,646,691**

The accompanying reports 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 2020)

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 $178.86 Million Company as on March 31, 2019, 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, Peru, Salvador, Ecuador,
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.

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. Asset classification has been changed for year 2020, but there is no impact on asset life and depreciation.

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.

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2020)

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, 2020, income tax is accounted for $212,672.

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 and assigning a risk probability percentage to every outstanding receivable amount.

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	5,200
	13,769

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 $ 62,503.00

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.

Bank Loans

Company has continued to have a facility of $1.00 Million from Citi Bank NA at the rate of LIBOR+100 Basis points. Company utilized $0.675 Million as on March 31, 2020. Line of Credit is Secured by $1.00 Million Standby letter of Credit issued by Greenlam Industries Limited (Parent Company).

Long-term Commitments

The Company has following open agreement with landlord:

Type	Location	Date	Length	Monthly	Total
Office Lease	Miami	April 2020 - July 2024	52 Months	$6,279	$ 326,508
Warehouse Lease	PA	April 2020 - June 2024	51 Months	$5,849	$ 298,299

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	51 Months	$ 11,633	$ 593,283
Sonal Detroja Employment	PA	April 2020 - June 2024	51 Months	$9,250	$ 471,750

Capital Stock

As of March 31, 2020, 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, 2020)

		March 2020	*March 2019*
			(US$)
A	**Cash and Bank**		
	Citi Bank NA.	45,861	23,071
	Cah in Hand	245	370
		46,106	23,441
B	**Accounts Receivables**		
	Total Debtors	2,711,619	2,740,884
	Less-Provisions for Doubtful Debts	-	-
		2,711,619	2,740,884
C	**Prepaid Expenses**		
	Credit Insurance	9,046	9,766
	Marine Insurance	925	7,295
	General Liability Insurance	-	-
		9,971	17,061
D	**Vendor Deposit**		
	ADP		87,414
	Crystal Springs	27	27
	Hines VAF II Doral, L.P.	8,413	8,413
	James A. Rodriguez	5,200	5,200
	Adopt A Plant	129	129
		13,769	101,183
E	**Goods in Transit**		
	Goods in Transit	183,971	343,932
		183,971	343,932
F	**Inventory**		
	Pennsylvania WH	547,720	578,896
		547,720	578,896

The accompanying reports and notes are integral parts of these statements

(As at 31st March, 2020)

G

Fixed Assets

Assets	Original cost	Additions during the year	Disposal prior periods	Cost as at 31 March 2020	Accumulated Depreciation till March 31 2019	Depreciation for the year	Depreciaion on Disposals for the period	Accum Depr at 31 March 2020	Carrying Value
Office Equipment	32,504	-	-	32,504	7,390	1,451	-	8,841	23,663
Furniture & Fixtures	86,849	-	-	86,849	40,395	6,531	-	46,926	39,923
Warehouse Equipment	30,123	-	-	30,123	23,106	2,738	-	25,844	4,279
Total	**149,476**	**-**	**-**	149,476	**70,891**	**10,720**	**-**	**81,611**	**67,865**

H

Goodwill

Assets	Original cost	Additions during the year	Cost as at 31 March 2020	Accumulated Amortization till March 31 2019	Amortization for the year	Accumulated Amortization at 31 March 2020	Carrying Value
Goodwill	900,000	-	900,000	900,000	-	900,000	-
Total	**900,000**	**-**	**900,000**	**900,000**	**-**	**900,000**	**-**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2020)

		March 2020	March 2019
		(US$)	
I	**Accounts Payable**		
	Greenlam Industries Limited, Holding Company	62,503	2,825
	Other Payables	43,258	42,050
		105,761	44,875
J	**Accrued Expenses and Provisions**		
	Freight and Duties	17,725	38,706
	Bonus and Commission	252,709	40,558
	Telephone	-	425
	Office rent	-	337
	Postage	-	1,200
	Sales Promotion	-	4,600
	Repairs and Maintenance (Warehouse)	5,364	5,400
		275,798	91,226
K	**Accrued Interest**		
	Citi Bank NA.	842	1,190
		842	1,190
L	**Provision for Income taxes**		
	Federal and State Income Tax (Payable)	12,672	-
		12,672	-
M	**Deferred Rent (Short term)**		
	Deferred Rent (Short term)	3,311	-
		3,311	-
N	**Loans and Advances**		
	Citi Bank NA (A/C 3300174266)	675,000	500,000
		675,000	500,000
O	**Deferred Rent (Long term)**		
	Deferred Rent (Long term)	11,038	-
		11,038	-
P	**Capital Stock**		
	Issued Subscribed and Paid up	1,600,000	1,600,000
		1,600,000	1,600,000
Q	**Retained Earnings**		
	Opening Balance as of 1st April	1,646,691	812,378
	Net Income for the Year	689,908	834,313
	Dividend distribution during the period	(1,440,000)	
	Balance as on 31st March	896,599	1,646,691

The accompanying reports and notes are integral parts of these statements