AUDIT REPORT

GREENLAM AMERICA, INC.

2016 - 2017

Varkey Associates CPA,PA.
Certified Public Accountants

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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, 2017, 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 2017 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 16, 2017
Miami, Florida.

GREENLAM AMERICA INC.
Balance Sheet
(As at 31st March, 2017)

(US $)

	Notes		*March 2017*		*March 2016*
ASSETS:					
Current Assets					
Cash and Bank	*A*	41,273		60,444	
Accounts Receivables	*B*	2,188,112		2,561,335	
Prepaid Expenses	*C*	12,418		3,146	
Deferred Tax Asset	*D*	-		6,837	
Vendor Deposit	*E*	13,768		13,769	
Goods in Transit	*F*	407,136		392,117	
Inventories	*G*	698,976		650,778	
Total Current Assets			**3,361,683**		**3,688,426**
Fixed Assets					
Office Equipments	*H*	22,760		81,375	
Furniture & Fixtures	*H*	74,436		98,431	
Warehouse Equip & Fixtures	*H*	28,797		28,797	
(Less) Accumulated Depreciation		(72,073)		(119,999)	
Total Fixed assets			**53,920**		**88,604**
Goodwill					
Goodwill	*I*	900,000		900,000	
Less Acc. Amortization	*I*	(540,000)		(360,000)	
Total Other Assets			**360,000**		**540,000**
Total Assets			**3,775,603**		**4,317,030**
LIABILITIES & SHAREHOLDER'S EQUITY					
Current Liabilities					
Accounts Payable	*J*	741,637		(79,511)	
Accrued Expenses	*K*	40,938		105,458	
Accrued Interest	*L*	-		4,370	
Provision for Income Taxes	*M*	46,149			
Customer's Deposits	*N*	5,000		5,000	
Loans and Advances	*O*	940,000		2,940,000	
Total Current Liabilities			**1,773,724**		**2,975,317**
Shareholder's Equity					
Capital Stock	*P*	1,600,000		1,600,000	
Retained Earnings	*Q*	401,879		(258,287)	
Total Shareholder's Equity			**2,001,879**		**1,341,713**
Total Liabilities & Shareholder's Equity			**3,775,603**		**4,317,030**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Income

(For the year ended 31st march, 2017)

(US $)

		March 2017		*March 2016*
Income				
Gross Sales		14,193,676		12,632,680
Opening Inventory	1,042,895		660,876	
Purchases	11,055,347		10,201,943	
	12,098,242		10,862,819	
Less Closing Inventory	1,106,112		1,042,895	
Less Obslete Inventory	43,056		-	
Cost of Goods Sold		10,949,074		9,819,924
Gross Profit		**3,244,602**		**2,812,756**
General and Administrative Expenses				
Accounting Fee	18,000		15,000	
Amortization Expense	180,000		180,000	
Bad debts	13,311		-	
Bank Service Charges	37,210		31,701	
Consultancy Fee	188,383		188,206	
Depreciation Expense	26,209		37,530	
Loss on Sale of Assets	8,474		-	
Insurance Expenses	70,714		50,286	
Legal and Professional Fees	19,012		35,466	
Office Expenses	7,253		7,637	
Staff Welfare	4,353		3,227	
Payroll Expenses	868,275		827,367	
Postage and Shipping	23,444		28,248	
Rent Expense	148,278		146,536	
Provision for Income Taxes	226,149		-	
Income Taxes	6,837		-	
Rates and Taxes	197		282	
Repairs and Maintenanace	18,294		7,790	
Selling Expenses	189,864		456,310	
Telephone and Fax Charges	46,335		40,824	
Travel Expenses	305,206		169,419	
Obsolete Inventory W/Off	43,056		-	
Warehouse Expenses	105,759		63,905	
Utilities expenses	1,816		1,828	
Total Expenses		**2,556,429**		**2,291,564**
Profit from Operations		**688,173**		**521,192**
Other Income		6,974		117,635
Other Expense (Bank Interest)		34,981		60,109
Net Profit		**660,166**		**578,718**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Retained Earnings

(For the year ended 31st March, 2017)

(US$)

	March 2017	*March 2016*
Opening Retained Earnings balance	**(258,287)**	**(837,005)**
Net Income for the period	660,166	578,718
Closing Balance	**401,879**	**(258,287)**

The accompanying reports and notes are integral parts of these statements

GREENLAM AMERICA INC.

Statement of Cash Flows

(For the year ended 31st March, 2017)

			(US $)	
		March 2017		*March 2016*
Cash Flow from Operating Activities				
Net Income		**660,166**		**578,718**
Changes in Assets and Liabilities				
Decrease in Accounts Receivables	373,223		1,256,147	
Increase in Prepaid Expenses	(9,272)		(379)	
Decrease/Increase in Deferred Tax (Asset)	6,837		(6,837)	
Increase/Decrease of Inventory	(48,198)		10,098	
Increase in Goods in Transit	(15,019)		(392,117)	
Increase /Decrease of Accounts Payable	821,149		(2,623,861)	
Decrease/Increase in Line of Credit	(2,000,000)		1,000,000	
Decrease/Increase in Accrued Liabilities	(64,519)		42,682	
Amortization of Goodwill	180,000		180,000	
Depreciation	26,209		37,530	
Provision (Income Tax)	46,149		-	
Decrease/Increase in Accrued Interest	(4,370)	(687,811)	733	(496,004)
		(27,645)		**82,714**
Cash Flow from Investing Activities				
Disposal of Office Equipments	58,615			
Disposal of Furniture and Fixtures	23,994			
Accum Depreciation of Office Equipments	(50,552)			
Accum Depreciation of Furniture &Fixtures	(23,583)	8,474	-	-
Net Decrease in Cash		**(19,171)**		**82,714**
Cash at the beginning of the period		60,444		16,781
Cash at the end of the period		**41,273**		**99,495**

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 2017)

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 $142.79 Million Company as on March 31,2016, 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 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.

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2017)

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 as used 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.

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2017)

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, 2017, income tax is accounted for $232,986.

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	8,412
James A. Rodriguez	5,200
	13,768

GREENLAM AMERICA INC.
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANACIAL STATEMENTS
(For the Year ended 31st March 2017)

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 $512,929.

Accrued Expenses

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

Bank Loans

Company has continued to have a facility of $1.99 Million from Citi Bank NA at the rate of LIBOR+100 Basis points. Company utilized $0.94 Million as on March 31, 2017. Line of Credit is Secured by $2.00 Million Stand by 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 2017 - May 2019	26 Months	$ 4,561	$ 118,586
Warehouse Lease	PA	April 2017 - June 2019	27 Months	$5,083	$ 137,241

The Company has following five year agreement with following Parties:

Parties	Location	Date	Length	Monthly	Total
Keystone Laminates Inc. Consultancy	PA	April 2017 - June 2019	27 Months	$ 11,433	$ 308,691
Sonal Detroja Employment	PA	April 2017 - June 2019	27 Months	$9,250	$249,750

Capital Stock

As of March 31, 2017, 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, 2017)

		(US$)	
		March 2017	*March 2016*
A	**Cash and Bank**		
	Citi Bank NA.	41,078	59,957
	Cah in Hand	195	487
		41,273	60,444
B	**Accounts Receivables**		
	Total Debtors	2,188,112	2,561,335
	Less-Provisions for Doubtful Debts	-	-
		2,188,112	2,561,335
C	**Prepaid Expenses**		
	Credit Insurance	6,892	
	Marine Insurance	2,475	
	General Liability Insurance	3,051	3,146
		12,418	3,146
D	**Deferred Tax (Asset)**		
	Deferred Tax (Asset)	-	6,837
		-	6,837
E	**Vendor Deposit**		
	Crystal Springs	27	27
	Hines VAF II Doral, L.P.	8,412	8,413
	James A. Rodriguez	5,200	5,200
	Adopt A Plant	129	129
		13,768	13,769
F	**Goods in Transit**		
	Goods in Transit	407,136	392,117
		407,136	392,117
G	**Inventory**		
	Pennsylvania WH	649,177	600,978
	Best ply Supplies,Miami	29,417	29,417
	Others	20,382	20,383
		698,976	650,778

The accompanying reports and notes are integral parts of these statements

GREENLAM AMERICA, INC.

Schedules forming part of the Accounts

(As at 31st March, 2017)

H

Fixed Assets

Assets	Depr Method	Years	Original cost	Additions during the year	Disposal during the year	Cost as at 31 March 2016	Accumulated Depreciation till March 31 2016	Depreciation for the year	Disposal during the year	Accum Depr at 31 March 2017	Carrying Value
Office Equipment	SL	5	81,375	-	58,615	22,760	60,247	6,620	50,552	16,315	6,445
Furniture & Fixtures	SL	7	98,430	-	23,994	74,436	49,921	14,170	23,583	40,508	33,928
Warehouse Equip & Fixt	SL	7	28,797	-	-	28,797	9,831	5,419	-	15,250	13,547
Total			**208,602**	**-**	**82,609**	**125,993**	**119,999**	**26,209**	**74,135**	**72,073**	**53,920**

I

Goodwill

Assets	Amortization Method	Years	Original cost	Additions during the year	Cost as at 31 March 2016	Accumulated Amortization till March 31 2016	Amortization for the year	Accumulated Amortization at 31 March 2017	Carrying Value
Goodwill	SL	5	900,000	-	900,000	360,000	180,000	540,000	360,000
Total			**900,000**	**-**	**900,000**	**360,000**	**180,000**	**540,000**	**360,000**

The accompanying report and notes are integral parts of these statements

GREENLAM AMERICA INC

Schedules forming part of the Accounts

(As at 31st March, 2017)

(US$)

		March 2017	*March 2016*
J	**Accounts Payable**		
	Greenlam Industries Limited, Holding Company	512,929	(318,348)
	Income Tax payable (IRS)	-	6,837
	Other Payables	228,708	232,000
		741,637	(79,511)
K	**Accrued Expenses and Provisions**		
	Bank charges (SBLC Commissions)	-	3,482
	Freight and Duties	12,138	23,122
	Bonus and Commission	15,898	68,179
	Legal and Professional	-	3,000
	Claims	3,502	7,176
	Sales Promotion	8,000	-
	Repairs and Maintenance	1,400	500
		40,938	105,459
L	**Accrued Interest**		
	Citi Bank NA.	-	4,370
		-	4,370
M	**Provision for Income taxes**		
	Income tax	46,149	-
		46,149	
N	**Customer Deposit**		
	Produits Forestiers Inc. CJP	5,000	5,000
		5,000	5,000
O	**Loans and Advances**		
	Citi Bank NA (A/C 3300174266)	940,000	1,940,000
	Citi Bank NA (A/C 3300173872)	-	1,000,000
		940,000	2,940,000
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	(258,287)	(837,005)
	Net Income for the Year	660,166	578,718
	Balance as on 31st March	401,879	(258,287)

The accompanying reports and notes are integral parts of these statements