

**CARYSIL USA INC.**

**(FORMALLY KNOWN AS**

**ACRYSIL USA INC)**

**FINANCIAL**

**STATEMENTS**

**FOR THE YEARS ENDED**

**MARCH, 2025**

**CARYSIL USA INC  
INDEX  
FOR THE YEAR  
ENDED  
MARCH 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Carysil USA Inc.

### **Opinion**

We have audited the accompanying standalone financial statements of Carysil USA Inc. (formally known as (Acrysil INC), which comprise the balance sheet as of March 31, 2025, and the related statements of operations, changes in shareholders' equity, and cash flows for the years the ended, and the related notes to the financial statements.

In our opinion, the standalone financial statements referred to above present fairly, in all material respects, the financial position of Carysil USA Inc. (formally known as (Acrysil INC) ("the Company") as of March 31, 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are required to be independent of the Company and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Standalone Financial Statements***

Management is responsible for the preparation and fair presentation of these standalone financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's responsibilities for the Audit of the Standalone Financial Statements***

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the standalone financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the standalone financial statements.
- Conclude whether in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Emphasis of Matter**

We draw attention to Note 16 to the standalone financial statements, which describes the basis of preparation. As stated in the note, the Company holds a 100% ownership interest in United Granite LLC and, in accordance with U.S. GAAP (ASC 810 – *Consolidation*), would ordinarily be required to consolidate such interest. However, for the purposes of meeting Annual Performance Report (APR) filing requirements under the Foreign Exchange Management Act (FEMA), 1999, the financials have been prepared on Standalone basis and investment in the subsidiary has been accounted for at cost. This constitutes a departure from U.S. GAAP. Our opinion is not modified in respect of this matter.

Shilpa Kikani, CPA

PAC-CPAP-LIC-033179

Shilpa Kikani

8<sup>th</sup> August, 2025



Carysil USA Inc. (Formally known as Acrysil USA Inc.)

Balance sheets

March 31, 2025 and 2024

	31-Mar-25	31-Mar-24
<b>Assets</b>		
<b>Current assets:</b>		
Cash and Cash Equivalents	\$ 34,346	\$ 14,515
Accounts receivable	-	-
Inventory	-	-
Notes Receivable	-	-
<b>Total current assets</b>	<b>34,346</b>	<b>14,515</b>
<b>Property &amp; equipment, net</b>		
<b>Other assets:</b>		
Long Term Loans & Advances - Subsidiaries	5,288,709	4,801,321
Other Assets - Investment in Subsidiaries	3,547,370	3,547,370
Intangibles, net	-	-
<b>Total assets</b>	<b>\$ 8,870,426</b>	<b>\$ 8,363,206</b>
<b>Liabilities and shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	-	-
Line of Credit	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Long term liabilities:</b>		
Loan payable - Unsecured	\$ 4,786,926	\$ 2,911,742
Long term Borrowing	4,424,000	5,530,000
<b>Total Long Term Liability</b>	<b>9,210,926</b>	<b>8,441,742</b>
<b>Total Liabilities</b>	<b>9,210,926</b>	<b>8,441,742</b>
<b>Commitments and contingencies</b>		
<b>Shareholders' equity:</b>		
Common Stock	(340,501)	(78,536)
Paid In Capital	100,000	\$ 100,000
Retained earnings/ (deficit)	(440,501)	(178,536)
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,870,426</b>	<b>\$ 8,363,206</b>



**Carysil USA Inc. (Formally known as Acrysil USA Inc.)**  
**Statement of operations and shareholders' equity**  
**For the Years Ended March 31, 2025 & March 31, 2024**

	<b>31-Mar-25</b>	<b>31-Mar-24</b>
<b>Revenue:</b>		
Revenue		
Cost of goods sold		
<b>Gross profit</b>	<b>-</b>	<b>-</b>
<b>Operating expenses:</b>		
Selling General and Administrative Expense	26,134	902
<b>Total operating expenses</b>	<b>26,134</b>	<b>902</b>
<b>Income from operations</b>	<b>(26,134)</b>	<b>(902)</b>
<b>Other Income/ (Expenses)</b>		
Interest Income	452,389	110,413
Interest expense	(688,220)	(288,047)
<b>Total Other Income/(Expenses)</b>	<b>(235,831)</b>	<b>(177,634)</b>
<b>Net Income</b>	<b>(261,965)</b>	<b>(178,536)</b>
Shareholders' equity - Beginning of the year	(78,536)	-
Contributions	-	100,000
Less: Dividends Paid	-	-
<b>Shareholders' equity - End of the year</b>	<b>\$ (340,501)</b>	<b>\$ (78,536)</b>





**Carysil USA Inc. (Formally known as Acrysil USA Inc.)**  
**STATEMENT OF CHANGES IN STOCK HOLDER'S EQUITY**  
**FOR THE YEARS ENDED MARCH, 31 2025**

Particular	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	TOTAL
April 1, 2024	\$ 100,000	-	(178,536)	(78,536)
Addition During the Year	-	-	-	-
Net (Loss) (Exhibit B)	-	-	(261,965)	(261,965)
STOCK HOLDERS' EQUITY (DEFICIT)				
<b>March 31, 2025</b>	<u><u>100,000</u></u>	<u><u>-</u></u>	<u><u>(440,501)</u></u>	<u><u>\$ (340,501)</u></u>



**Carysil USA Inc. (Formally known as Acrysil USA Inc.)**

**Statement of cash flows**

**For the Years Ended March 31, 2025 & March 31, 2024**

	<b>31-Mar-25</b>	<b>31-Mar-24</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ (261,965)	\$ (178,536)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	-	-
Interest Expense	688,220	288,047
Interest Income	(452,389)	(110,413)
Bad Debt	-	-
<b>Changes in assets and liabilities:</b>		
Accounts receivable	-	-
<b>Net cash provided by operating activities</b>	<b>(26,134)</b>	<b>(902)</b>
<b>Cash flows from investing activities:</b>		
Interest Income	452,389	110,413
Other Current Assets - Investment in Subsidiaries (Net Closing)	-	(3,547,370)
Long Term Loans & Advances - Subsidiaries (Net Closing)	(487,388)	(4,801,321)
<b>Net cash used in investing activities</b>	<b>(34,999)</b>	<b>(8,238,278)</b>
<b>Cash flows from financing activities:</b>		
Loan payable - Unsecured (Net Closing)	1,875,184	2,800,000
Long term Borrowing (Net Closing)	(1,106,000)	5,530,000
Proceeds from Issue of Share Capital	-	100,000
Interest Expense	(688,220)	(176,306)
Notes Payable Borrowings		
<b>Net cash provided by (used in) financing activities</b>	<b>80,965</b>	<b>8,253,694</b>
<b>Net Increase (decrease) in cash</b>	<b>19,831</b>	<b>14,515</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	14,515	-
<b>End of year</b>	<b>\$ 34,346</b>	<b>\$ 14,515</b>
<b>Supplemental disclosures of cash flow information</b>		
<b>Cash paid during the year for:</b>		
Interest	\$ 688,220	\$ 176,306
Income taxes	\$ -	\$ -





## **1. ORGANIZATION AND NATURE OF BUSINESS**

Carysil USA Inc. (Formally known as Acrysil USA Inc) ("the Company") was incorporated in 2020. The Company is a Wholly owned USA Subsidiary of Indian Company Acrysil Limited. The object of the company is to carry on the business in USA and penetrate deeper in the markets by building network across America and increase market share. The company will be dealing in Kitchen, Bath Products and Tiles.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### **b) REVENUE RECOGNITION**

The Company accounts for revenue under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, which requires revenue to be recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods and services.

In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under customer agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC Topic 606.

During the year under review, the company has earned Interest Income of \$ 452,389 which has been recognized on accrual basis.

## **3. CASH AND CASH EQUIVALENTS**

For purposes of reporting cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less as cash and cash equivalents in the accompanying balance sheets.

## **4. VALUATION OF ACCOUNTS RECEIVABLE**

Trade accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus, trade accounts receivable does not bear interest.

The Company makes judgments as to the collectability of accounts receivable based on historical trends and future expectations. Management estimates an allowance for doubtful accounts which represents the collectability of accounts receivable. This allowance adjusts gross receivables downward to their estimated realizable value. To determine the allowance for doubtful accounts, management reviews specific client risks and the Company's accounts receivable aging. Management considers accounts past due on a client-by-client basis. There are no account receivable as at March 31, 2025.

## **5. PROPERTY, EQUIPMENT AND INTANGIBLE ASSET**

Property and Equipment and Intangible Assets Property and equipment are measured at acquisition cost.

Depreciation and amortization are computed at rates considered adequate to cover the cost of



depreciable assets over their estimated useful lives by the straight-line method. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the related leases or the useful lives of the improvements.

As at March 31, 2025, the company does not have any Property, Plant and Equipment.

**6. REPAIR AND MAINTENANCE**

Repairs and maintenance are charged to operations as incurred.

The Company reviews property and equipment used in operations for impairment when there is an event or change in circumstances that indicates impairment in value. An impairment is recognized if the carrying amount of assets is not recoverable and exceeds its fair value. If such impairment is present, an impairment loss is recognized based on the excess of the carrying amount of the assets over their fair value in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**7. INVENTORIES**

Inventories are priced at the lower of cost or market, with cost determined on a first-in, first-out basis and market based on the lower of replacement cost or estimated realizable value. The Company has no inventory as on 31st March, 2025.

**8. INCOME TAX**

Acrysil USA Inc. is a "C" corporation and files federal income tax returns as well as any required state and local income tax returns.

Accounting principles generally accepted in the United States of America require the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more likely than not sustainable upon examination by the applicable taxing authorities, based on the technical merits of the tax positions, and then recognizing the tax benefit that is more likely than not to be realized. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current reporting period. Management believes any such positions would be immaterial to the overall financial statements of the Company.

The Company's federal, state and local income tax returns for the years subsequent to 2020 remain subject to examination by the relevant taxing authorities.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement and tax basis of existing assets and liabilities using enacted rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount estimated by us to be realizable. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Company did not have any unrecognized tax benefits.

**9. ACCOUNTING ESTIMATES**

The preparation of standalone financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

**10. INVESTMENT**

Carysil USA Inc. (formerly known as Acrysil USA Inc.) entered into a Member Interest Purchase Agreement on 19th October 2023, under which it acquired 100% ownership interest of Mr. Ender Zirekoglu in United Granite LLC.





Accordingly, during the year ended 31st March 2024, Acrysil USA Inc. recognized the investment in United Granite LLC at its acquisition cost of **USD 3,547,370**. Since the investment is not held for trading or fair value through profit or loss, no fair valuation was carried out at initial recognition.

However, during the assessment period, **United Granite LLC incurred consecutive operating losses**, which may indicate impairment. But based on our discussions and after careful consideration of the relevant factors outlined below, it has been concluded that no provision for impairment on investment in United Granite LLC is warranted at this stage due to following factors.

- The losses incurred by United Granite LLC **are temporary in nature**, primarily driven by local market conditions and a significant decline in sales and margins.
- These measures have **yielded an operational profit in Q1 of FY 2025–26**, and the Company is expected to achieve profit before tax (PBT) for the full year.
- The investment made by Carysil USA Inc. in United Granite LLC is of a long-term strategic nature, with no change in the underlying fundamentals or intrinsic value of the investee entities.
- The business was only recently acquired and is in the process of recalibrating its operations, aligning processes, and integrating with the parent company's strategic objectives, which is expected to improve performance over time.

## **11. RELATED PARTY TRANSACTIONS**

During the year under consideration, Carysil USA Inc. has entered into following transaction:

Name of Party	Nature	Amount (in \$) outstanding as on 31 <sup>st</sup> March, 2025
Carysil Limited	Loan taken	1,500,000
United Granite LLC	Loan Repayment (Net off Loan Given)	35,000
United Granite LLC	Interest Income	452,389
Carysil Limited	Interest Expense	353,064
Carysil Limited	Bank Guarantee Commission	22,120

The Closing Balance as on 31st March 2025 with regards to related party is as under:

Name of Party	Nature	Amount (in \$) outstanding as on 31 <sup>st</sup> March, 2025
Carysil Limited	Loan taken	4,786,926
United Granite LLC	Investment*	3,547,370
United Granite LLC	Loan given	5,288,709

\* The investments are carried at cost.

## **12. LONG TERM DEBT**

The Company has availed loan during the year under consideration. Such loan has incurred a



borrowing cost of \$ 688,220 which is as follows:

Name of Party	Amount (in \$) of Interest during the year
Carysil Limited (Related Party)	353,064
CITI Bank Term Loan A/C No. 4941128768	335,155

As of March 31, 2025, the aggregate fixed future principal payments for long-term debt, including, for each of the next five years are as follows:

1 <sup>st</sup> April, 2025 to 31 <sup>st</sup> March, 2026	1,106,000
1 <sup>st</sup> April, 2026 to 31 <sup>st</sup> March, 2027	1,106,000
1 <sup>st</sup> April, 2027 to 31 <sup>st</sup> March, 2028	1,106,000
1 <sup>st</sup> April, 2028 to 31 <sup>st</sup> March, 2029	1,106,000

**13. COMMITMENTS AND CONTINGENCIES**

The Company does not have any contingent liabilities or Litigations pending.

**14. CONCENTRATIONS OF CREDIT RISK**

The Company is subject to concentrations of credit risk, which consist of cash and cash equivalents. Cash balances are held at financial institution, and the balances did not exceed the limit of the Federal Deposit Insurance Corporation insurance limit. The Company has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**15. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events after March 31, 2025 through August 08, 2025 the date the financial statements were available to be issued.

**16. PREPARATION OF STANDALONE FINANCIAL STATEMENT**

The Company holds a 100% ownership interest in **United Granite LLC**. Under U.S. GAAP (ASC 810 – *Consolidation*), such interests are ordinarily required to be consolidated in the financial statements of the parent entity.

However, these standalone financial statements have been prepared specifically for the purpose of meeting the **Annual Performance Report (APR) filing requirements under the Foreign Exchange Management Act (FEMA), 1999**. As per the APR filing requirements, audited standalone financial statements of the Company are required to be submitted to the Reserve Bank of India (RBI) in respect of its overseas direct investment.

For this special-purpose presentation, the investment in the subsidiary has been accounted for at cost, rather than on a consolidated basis, which constitutes a departure from U.S. GAAP. These standalone financial statements do not present the consolidated financial position, results of operations, or cash flows of the parent-subsidiary group as would be required under ASC 810.

