

Blue Star North America Inc.

Financial Statements
For the year ended March 31, 2023

Blue Star North America, Inc.

Financial Statements

March 31, 2023

KNAV P.A.

One Lakeside Commons, Suite 850
990 Hammond Drive NE
Atlanta, GA 30328



America Counts on CPAs

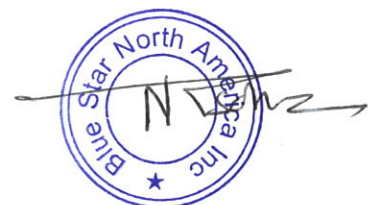
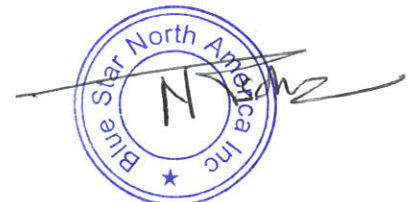


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Independent Auditor's Report

To the Board of Directors and Shareholder of
Blue Star North America Inc.

Opinion

We have audited the accompanying financial statements of Blue Star North America Inc ('the Company'), which comprise the balance sheet as of March 31, 2023, and the related statements of loss, changes in shareholder's equity, and cash flows for the period from September 22, 2022 to March 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Company as of March 31, 2023, and the results of its operations and its cash flows for the period September 22, 2022 to March 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis of opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the 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 audits. 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 financial statements

Management is responsible for the preparation and fair presentation of these 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 the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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, including omissions, 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.

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850, 990 Hammond Drive NE, Atlanta, GA 30328 T 1 678 584 1200 F 1 770 676 6082 E admin@knnavcpa.com

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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 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.

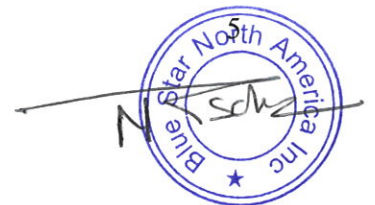
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
April 26, 2023

Blue Star North America Inc.
Financial Statements
March 31, 2023

Financial Statements



Balance sheet

(All amounts in United State Dollars, unless otherwise stated)

As at March 31,
2023

ASSETS

Current assets

Cash & cash equivalents 637,600

Other current assets 14,733

Total current assets 652,393

Total assets 652,393

Current liabilities

Accounts payable 8,125

Accrued expenses 13,977

Total current liabilities 22,102

Total liabilities 22,102

SHAREHOLDER'S EQUITY

Common stock (\$ 100 par value, authorized 20,000 shares,
issued and outstanding 1,000 shares) 1,000,000

Accumulated deficit (369,709)

Total shareholder's equity 630,291

Total shareholder's equity and liabilities 652,393

(The accompanying notes are an integral part of these financial statements)



Statement of loss

(All amounts in United States Dollars, unless otherwise stated)

For the period
September 22,
2022, to March
31, 2023

Operating costs and expenses

General and administrative expenses

369,709

Total operating cost and expenses

369,709

Net loss

(369,709)

(The accompanying notes are an integral part of these financial statements)



Statement of shareholder's equity

(All amounts in United States Dollars, unless otherwise stated)

Particulars	Shareholder's equity	Accumulated deficit	Total shareholder's equity
Balance as of September 22, 2022	-	-	-
Common stock issued	1,000,000	-	1,000,000
Net loss for the period	-	(369,709)	(369,709)
Balance as of March 31, 2023	1,000,000	(369,709)	630,291

(The accompanying notes are an integral part of these financial statements)



Statement of cash flows

(All amounts in United States Dollars, unless otherwise stated)

Cash flow from operating activities

Net loss	(369,709)
Increase in operating liabilities	7,369
Net cash used in operating activities	(362,340)

Cash flow from financing activities

Issuance of common stock	1,000,000
Net cash generated from financing activities	1,000,000

Net effect on cash	637,660
Cash at the beginning of the period	-
Cash at the end of the period	637,660

Supplemental cash flow information

Interest paid	Nil
Income taxes paid	Nil

(The accompanying notes are an integral part of these financial statements)

For the period
 September 22,
 2022, to March
 31, 2023



Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

Blue Star North America Inc (“the Company”), a company incorporated under the Delaware General Corporation Law, was formed on September 22, 2022, as a wholly owned subsidiary of Blue Star Limited, India's leading heating, ventilation, air conditioning and commercial refrigeration (HVAC&R) company. The Company intends to fulfill the heating, cooling and ventilation requirements of a large number of corporate, commercial and process applications, as well as the comfort needs of residential customers.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Financial statements*

a) Basis of preparation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). All amounts are stated in United States dollars, except as otherwise specified. There are no comparable figures since it is the first year of operations.

b) Use of estimates

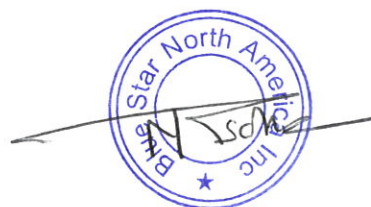
The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Management bases the estimates on a number of factors, including historical experience, current events and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances.

2. *Cash and cash equivalents*

Cash and cash equivalents, including cash on account, demand deposits and short-term investments with original maturities of three months or less, are recorded at cost, which approximates market value. Restricted cash deposits do not form part of cash and equivalents.

Cash balances on deposits with banks in the United States of America are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of \$ 250,000. The Company believes it is not exposed to any significant risk on cash and cash equivalents.



NOTE C - GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise the following:

	For the period ended March 31, 2023
Payroll expenses	173,830
Travelling & conveyance expenses	119,345
Professional fees	74,612
Other expenses	1,922
Total	369,709

NOTE D - INCOME TAXES

The Company was incorporated on September 22, 2022, and had no significant operations since then, hence no current or deferred taxes have been provided in the financial statements.

The franchise taxes amounted to \$ 225 were paid, which is the minimum tax for state of Delaware for the period ended March 31, 2023

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2023.

NOTE E - RELATED PARTY TRANSACTIONS

A. List of related parties during the period:

Name of related party
 Blue Star Limited – Parent company

B. Summary of the transactions with related parties is as follows:

March 31, 2023

Blue Star Limited

For the period ended March 31, 2023.

Issuance of common stock	1,000,000
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Blue Star North America Inc.
Financial Statements
March 31, 2023

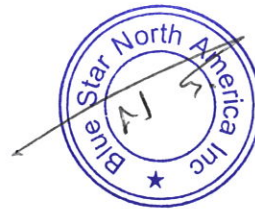
NOTE F - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2023, up to the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

For
Blue Star North America Inc.



Nikhil Sohoni
Director



For
Blue Star North America Inc.



Tom Overs
Director