

**ASIAN STAR COMPANY LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

**ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT**

A handwritten signature in black ink, consisting of stylized initials 'EF' enclosed within a circular flourish.

ERVIN FRIEDMAN
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ERVIN FRIEDMAN, C.P.A.
HARISH D. PATEL

THE BOARD OF DIRECTORS
ASIAN STAR COMPANY LTD.
551 FIFTH AVENUE, SUITE # 3502
NEW YORK, NY 10176-0001

GENTLEMEN,

WE HAVE EXAMINED THE BALANCE SHEET OF ASIAN STAR COMPANY, LTD. NEW YORK, AS OF MARCH 31, 2022 AND RELATED STATEMENT OF INCOME, RETAINED EARNINGS, SUPPORTING SCHEDULES AND CASH FLOW FOR THE YEAR THEN ENDED. OUR EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND ACCORDINGLY INCLUDED SUCH TESTS OF THE ACCOUNTING RECORDS AND SUCH OTHER AUDITING PROCEDURES AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

IN OUR OPINION, THE FINANCIAL STATEMENTS INDICATED ABOVE PRESENT FAIRLY THE FINANCIAL POSITION OF ASIAN STAR COMPANY, LTD; NEW YORK, AS AT MARCH 31, 2022, AND THE RESULTS OF OPERATIONS FOR THE YEAR THEN ENDED, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

APRIL 21, 2022



**ASIAN STAR COMPANY LTD.
BALANCE SHEET
MARCH 31, 2022**

ASSETS

CURRENT ASSETS:

CASH IN BANK AND ON HAND	\$ 307,982	
ACCOUNTS RECEIVABLE	4,202,265	
INVENTORY	<u>3,501,650</u>	
TOTAL CURRENT ASSETS		8,011,897

FIXED ASSETS:

FURNITURE AND FIXTURES	117,903	
LESS: ACCUMULATED DEPRECIATION	<u>-102,327</u>	
TOTAL FIXED ASSETS		15,576

OTHER ASSETS:

SECURITY DEPOSITS		<u>21,718</u>
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TOTAL ASSETS **\$ 8,049,191**

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ 7,138,510	
FEDERAL CORPORATE TAXES PAYABLE	3,646	
ACCRUED EXPENSES	<u>5,500</u>	
TOTAL CURRENT LIABILITIES		7,147,656

SHAREHOLDERS EQUITY:

CAPITAL STOCK	500,000	
RETAINED EARNINGS-UNAPPROPRIATED	<u>401,535</u>	
TOTAL SHAREHOLDERS' EQUITY		<u>901,535</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY **\$ 8,049,191**

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**ASIAN STAR COMPANY LTD.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDING MARCH 31, 2022**

RETAINED EARNINGS – APRIL 01, 2021	307,778
ADD (LESS): NET INCOME (LOSS) FOR THE YEAR ENDED MARCH 31, 2022	<u>93,757</u>
RETAINED EARNINGS – MARCH 31, 2022	<u>401,535</u>

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**ASIAN STAR COMPANY LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDING MARCH 31, 2022**

OPERATING REVENUES – SALES	\$ 23,587,433
COST OF SALES – SCHEDULE-A	<u>22,962,248</u>
GROSS PROFIT	625,185
GENERAL AND ADMINISTRATIVE EXPENSES-SCHEDULE-B	<u>511,778</u>
OPERATING PROFIT (LOSS)	113,407
OTHER INCOME	
INTEREST INCOME	<u>0</u>
TOTAL OTHER INCOME	<u>0</u>
NET INCOME BEFORE TAXES BASED ON INCOME (LOSS)	0
CORPORATE TAXES:	
FEDERAL CORPORATION TAX	13,185
STATE CORPORATION TAX	1,099
CITY CORPORATION TAX	<u>5,366</u>
TOTAL CORPORATE TAXES	<u>19,650</u>
NET INCOME/ (LOSS) AFTER CORPORATE TAXES	\$ <u>93,757</u>

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**ASIAN STAR COMPANY LTD.
SUPPORTING SCHEDULES
FOR THE YEAR ENDING MARCH 31, 2022**

SCHEDULE-A COST OF SALES

BEGINNING INVENTORY-APR 01, 2021	\$ 2,140,226
PURCHASES	24,225,151
FINDING & SETTING	39,028
FREIGHT & CUSTOMS DUTY	<u>59,493</u>
COST OF GOODS AVAILABLE FOR SALE	26,463,898
ENDING INVENTORY-MAR 31, 2022	<u>3,501,650</u>
COST OF SALES	\$ <u>22,962,248</u>

SCHEDULE-B GENERAL AND ADMINISTRATIVE EXPENSES:

SALARIES – OFFICER	\$160,850
SALARIES - OTHERS	47,915
MANAGEMENT FEES	22,000
TRAVEL-BUYING & SELLING EXPENSES	13,844
RENT	114,562
PAYROLL TAXES	16,868
INTEREST, DISCOUNT & BANK CHARGES	14,775
INSURANCE	51,671
LEGAL AND PROFESSIONAL	6,817
SECRETARIAL & OFFICE CONSULTATION FEES	32,750
DUES & SUBSCRIPTIONS	4,017
TELEPHONE	10,384
STATIONERY, POSTAGE & OFFICE SUPPLIES	1,659
ALARM & PROTECTION	2,552
COMPUTER SUPPLIES & EXPENSE	2,425
DEPRECIATION	5,070
ADVERTISING	<u>3,619</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ <u>511,778</u>

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**ASIAN STAR COMPANY LTD.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES:

REVENUE RECOGNITION:

SALES OF GOODS ARE RECORDED BASED ON SHIPMENT OF GOODS.

INVENTORIES:

INVENTORIES ARE PRICED AT THE LOWER OF COST OR MARKET.

PROPERTY AND DEPRECIATION:

THE COST OF PROPERTY, FURNITURE, FIXTURES AND IMPROVEMENTS ARE RECORDED AT COST AND GENERALLY THE STRAIGHT-LINE METHOD OF COMPUTING DEPRECIATION HAS BEEN APPLIED FOR BOTH INCOME TAX AND FINANCIAL REPORTING PURPOSES.

NOTE-2 PURCHASES INCLUDE MERCHANDISE RECEIVED FROM ASIAN STAR COMPANY LTD; MUMBAI, INDIA IN THE AMOUNT OF \$19,151,769.43

NOTE-3 ACCOUNTS PAYABLE INCLUDES THE AMOUNT OF \$4,358,183.76 OWED TO ASIAN STAR COMPANY LTD; MUMBAI, INDIA FOR MERCHANDISE RECEIVED, AFTER THE PAYMENT REMITTED TO ASIAN STAR COMPANY LTD, MUMBAI, INDIA IN THE AMOUNT OF \$ 1,498,590.38 ON MARCH 31, 2022.

NOTE- 5 SALES INCLUDES \$ 26,907.40 OF SALES MADE TO ASIAN STAR CO. LTD. MUMBAI, INDIA.

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**ASIAN STAR COMPANY LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME/ (LOSS) PER INCOME STATEMENT		\$ 93,757
ADD:		
DEPRECIATION	5,070	
DECREASE IN ACCOUNTS RECEIVABLE	800,688	
PROVISION FOR TAXES	13,185	
INCREASE IN ACCOUNTS PAYABLE	<u>520,305</u>	
		<u>1,339,248</u>
TOTAL		1,433,005
LESS:		
INCREASE IN INVENTORY	<u>(1,361,424)</u>	
TOTAL		<u>(1,361,424)</u>
INCREASE (DECREASE) IN CASH		71,581
CASH AT THE BEGINNING OF THE YEAR		<u>236,401</u>
CASH AT THE END OF THE YEAR		\$ <u>307,982</u>

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