Blue Star Engineering & Electronics Limited

Financial Statements for the year ended March 31, 2021

Deloitte Haskins & Sells LLP

Chartered Accountants
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Goregaon (East)
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INDEPENDENT AUDITOR'S REPORT
To the Members of BLUE STAR ENGINEERING & ELECTRONICS LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BLUE STAR ENGINEERING & ELECTRONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit that we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Samir R. Sh

Samir R. Shah
(Partner)
(Membership No. 101708)
(UDIN: 21101708AAAABF8410)

Place: Mumbai
Date:28 April 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BLUE STAR ENGINEERING & ELECTRONICS LIMITED** ("the Company") as of 31 March 2021, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Samir R. Shah
(Partner)
(Membership No. 101708)
(UDIN: 21101708AAAABF8410)

Place: Mumbai
Date: 28 April 2021

HASKINS & SELLS
CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells LLP

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and any other relevant document provided to us which evidences title, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits as on the Balance Sheet date.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Value Added Tax which have not been deposited as on 31 March 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (` lakh)	Amount unpaid (` lakh)
Maharashtra Value Added Tax Act, 2002	Value Added Tax, interest and penalty on the same	Appellate Tribunal	FY 2011-12	165.46	158.41
			FY 2013-14	122.16	99.64

There were no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty and Customs Duty which have not been deposited as at 31 March 2021 on account of dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Banks. The Company has neither borrowed any amounts from financial institutions and government nor issued debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Samir R. Shah
(Partner)
(Membership No. 101708)
(UDIN: 21101708AAAABF8410)

Place: Mumbai
Date: 28 April 2021

HASKINS & SELLS
CHARTERED ACCOUNTANTS
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Blue Star Engineering & Electronics Limited
Balance Sheet as at March 31, 2021

	Notes	As at 31st March, 2021 ₹ Lakhs	As at 31st March, 2020 ₹ Lakhs
A ASSETS			
1. Non-Current Assets			
Property, Plant & Equipment	3(a)	757.19	841.85
Investment Properties	3(b)	4,126.33	4,517.84
Intangible Assets	3(c)	8.29	9.92
Financial Assets			
-Loans	4(a)	118.47	52.60
Other financial asset	4(b)	0.71	-
Income tax assets		87.42	
Deferred Tax Assets (Net)	15	335.14	2,331.21
Other non-current assets	8	140.72	233.95
Total Non Current Assets		**5,574.27**	**7,987.37**
2. Current assets			
Inventories	5	1,471.78	2,016.69
Financial Assets			
-Loans	4(a)	13,125.77	7,688.80
-Trade Receivables	6	2,661.24	3,452.97
-Cash & cash Equivalents	7	540.66	2,186.23
Other Current Assets	8	2,407.17	2,141.73
Total Current Assets		**20,206.61**	**17,486.42**
TOTAL ASSETS		**25,780.88**	**25,473.79**
B EQUITY AND LIABILITIES			
1. Equity			
Share Capital	9	1,058.50	1,058.50
Other Equity		14,122.29	11,760.01
Total Equity		**15,180.79**	**12,818.51**
2. Non-Current Liabilities			
Long term Provisions	14	2.62	12.48
Total - Non-current liabilities		**2.62**	**12.48**
3. Current Liabilities			
Financial Liabilities			
-Borrowings	10	-	1,569.17
-Trade Payables	11		
a. Dues of Micro Enterprises and Small Enterprises		0.88	0.60
b. Dues of other than Micro Enterprises and Small Enterprises		4,295.10	4,197.82
-Other financial liabilities	12	266.06	266.07
Provisions	14	514.42	494.82
Income tax liabilities		-	196.90
Other current liabilities	13	5,521.02	5,917.42
Total - Current liabilities		**10,597.48**	**12,642.80**
TOTAL - EQUITY AND LIABILITIES		**25,780.88**	**25,473.79**

The accompanying notes are an integral part of the financial statements. 1 to 36

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Samir R. Shah
Partner
Membership No : 101708

Place : Mumbai
Date : 28th April ,2021

For and on behalf of the Board of Directors of
Blue Star Engineering & Electronics Limited

Vir S Advani
Chairman

Neeraj Basur
Director

Prem Kalliath
CEO

Sivakumar Ramani
CFO

Yogesh Joshi
Company Secretary

Blue Star Engineering & Electronics Ltd.

Place : Mumbai
Date : 28th April,2021

Blue Star Engineering & Electronics Limited
Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Notes	For the year ended 31st March, 2021 ₹ Lakhs	31st March, 2020 ₹ Lakhs
Revenue from operations	16	18,173.95	24,450.20
Other Income	17	873.23	701.56
Total revenue (I)		**19,047.18**	**25,151.76**
Expenses			
Cost of material consumed and Project cost	18	2,266.85	1,693.04
Purchase of Stock-in-trade	18	8,427.24	13,269.95
Changes in Inventories	18	544.91	(862.03)
Employee benefits expense	19	2,139.82	2,891.43
Depreciation and amortization expense	20	482.18	546.67
Finance costs	21	96.01	72.63
Other expenses	22	1,384.89	1,527.57
Total expenses (II)		**15,341.90**	**19,139.26**
Profit before tax (I) - (II)		**3,705.28**	**6,012.50**
Tax Expense			
Tax Expense	15		
i) Current tax		913.73	1,086.77
ii) Deferred tax		492.01	741.72
Total tax expense (III)		**1,405.74**	**1,828.49**
Profit for the year (IV)		**2,299.54**	**4,184.01**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		62.74	(28.41)
Other comprehensive income		**62.74**	**(28.41)**
Total comprehensive income		**2,362.28**	**4,155.60**

The accompanying notes are an integral part of the financial statements. 1 to 36

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Samir R.Shah
Partner
Membership No : 101708

Place : Mumbai
Date : 28th April ,2021

For and on behalf of the Board of Directors of
Blue Star Engineering & Electronics Limited

Vir S Advani
Chairman

Neeraj Basur
Director

Prem Kalliath
CEO

Sivakumar Ramani
CFO

Yogesh Joshi
Company Secretary

Place : Mumbai
Date : 28th April ,2021

Blue Star Engineering & Electronics Ltd.

HASKINS & SELLS LLP DELOITTE CHARTERED ACCOUNTANTS

Blue Star Engineering & Electronics Limited
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity Share Capital

For the year ended March 31, 2021

₹ Lakhs

Balance as at April 1, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
1,058.50	-	1,058.50

For the year ended March 31, 2020

₹ Lakhs

Balance as at April 1, 2019	Changes in Equity Share Capital during the year	Balance as at March 31, 2020
1,058.50	-	1,058.50

(B) Other Equity

For the year ended March 31, 2021

₹ Lakhs

Particulars	Reserves & Surplus			Total Equity
	Securities Premium	Capital Reserve	Retained Earning	
For the year ended March 31, 2021				
As at April 1, 2020	2,088.87	7,762.48	1,908.66	11,760.01
Profit for the year			2,299.54	2,299.54
Other comprehensive income			62.74	62.74
As at March 31, 2021	**2,088.87**	**7,762.48**	**4,270.94**	**14,122.29**
As at April 1, 2019	2,088.87	7,762.48	1,262.28	11,113.63
Profit for the year			4,184.01	4,184.01
Other comprehensive income			(28.41)	(28.41)
Dividend and dividend distribution tax thereon	-	-	(3,509.22)	(3,509.22)
As at March 31, 2020	**2,088.87**	**7,762.48**	**1,908.66**	**11,760.01**

The accompanying notes are an integral part of the financial statements.1 to 36

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Samir R.Shah
Partner
Membership No.:101708

Place : Mumbai
Date : 28th April ,2021

For and on behalf of the Board of Directors of
Blue Star Engineering & Electronics Limited

Vir S Advani
Chairman

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Director

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CEO

Sivakumar Ramani
CFO

Yogesh Joshi
Company Secretary

Place : Mumbai
Date : 28th April ,2021

Blue Star Engineering & Electronics Ltd.

HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Blue Star Engineering & Electronics Limited
Statement of Cash Flows for the year ended 31st March, 2021

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,705.28	6,012.50
	3705.28	6012.50
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/ amortization	482.18	546.67
Fair Value loss of financial Instrument	-	(3.77)
Loss/ (profit) on sale of fixed assets	17.17	4.77
Bad debts / advances written off	499.91	-
Provision for doubtful debts and advances	250.21	181.63
Reversal of Provision for doubtful debts and advances	(499.91)	
Unrealized foreign exchange loss / (gain)	(14.07)	(32.43)
Liabilities written back	(238.83)	(196.55)
Interest expense	96.01	72.62
Dividend on Mutual Fund	(5.18)	-
Profit on sale of investment property	-	(21.81)
Proceeds from sale of investment property	-	176.00
Interest Income	(531.06)	(492.85)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3761.70	6246.78
Increase/(Decrease) in working capital :		
Trade payables	324.71	(224.78)
Provisions	69.56	(197.78)
Other current liabilities	(395.27)	1,750.64
Trade receivables	561.34	517.66
Inventories	544.91	(862.03)
Loans and advances	1.96	282.55
Other assets	(170.80)	(1,175.48)
Long-term / short-term financial asset	(0.71)	-
Cash generated from operations	4,697.40	6,337.56
Direct tax refund net of payment / (paid net of refunds)	306.02	(889.38)
Net cash generated from operating activities (A)	5,003.42	5,448.18
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, including CWIP and capital advances	(20.05)	(73.57)
Loan to related party	(5,500.00)	(4,500.00)
Interest Income	531.06	416.85
Dividend on MF	5.18	-
Net cash used in investing activities (B)	(4,983.81)	(4,070.60)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from short term borrowings, net	(1,569.17)	1,569.17
Interest paid	(96.01)	(72.62)
Dividend and distribution tax paid	-	(3,509.22)
Net cash used in in financing activities (C)	(1,665.18)	(2,012.67)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	(1,645.57)	(635.09)
Cash and cash equivalents at the beginning of the year	2,186.23	2,821.32
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	540.66	2,186.23
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
– On current accounts	524.29	670.61
– Deposits with original maturity of less than 3 months	7.12	1,509.93
Cash on hand	7.06	5.69
Cash and bank balance not available for immediate use	2.19	-
TOTAL CASH AND CASH EQUIVALENTS	540.66	2,186.23

The accompanying notes are an integral part of the financial statements. 1 to 36

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

SamirR.Shah
Partner
Membership No : 101708

Place : Mumbai
Date : 28th April ,2021

For and on behalf of the Board of Directors of
Blue Star Engineering & Electronics Limited

Vir S Advani
Chairman

Neeraj Basur
Director

Prem Kalliath
CEO

Sivakumar Ramani
CFO

Yogesh Joshi
Company Secretary

Place : Mumbai
Date : 28th April ,2021

HASKINS & SELLS
CHARTERED ACCOUNTANTS

1 Corporate Information

Blue Star Engineering & Electronics Limited ("the Company") is a public Company incorporated in the year 2010 (with effect from 27th February 2015, the name of the Company has changed from Blue Star Electro Mechanical Limited to Blue Star Engineering & Electronics Limited). The registered office of the Company is located at Kasturi Buildings, Jamshedji Tata Road, Mohan T Advani Chowk, Mumbai – 400020. The Company is into distribution and maintenance of imported professional electronics and industrial systems and in the business of providing Plumbing & Fire Fighting Contracting Services, providing engineering services in the field of refrigerators and air conditioning, heating and ventilation and also renting of properties.

The financial statements of the Company were approved by its Board of Directors on April 28, 2021

2A Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.

2B Summary Of Significant Accounting Policies

(a) Basis of preparation and presentation

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Critical accounting judgments and key sources of estimation uncertainty

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities and the reported amounts of income and expense for the periods presented .

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimates are revised and in future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 24.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is net off trade discounts, rebates and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of Government.

i. Revenue from sale of traded goods:

Revenue from sale of traded goods is recognised at the point in time when control is transferred to the customer. Indicators that control has been transferred include, the establishment of the Company's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer.

ii. Project Revenue:

Contract revenues are recognised based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs, there being a direct relationship between the input and the productivity. Claims are accounted for as income when accepted by the customer.

Expected loss, if any, on a contracts is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Incremental costs of obtaining a contract if any, (such as professional fees and commission paid to acquire the contract) are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for, when additions, deletions or changes are approved either to the contract scope or the contract price. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is a standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

iii. Revenue from sale of services:

Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognised on straight line basis over the period of the performance obligation. Commission income is recognized as and when the terms of the contracts are fulfilled. Repairs & service and installation revenue are recognised based on work certified by customer.

Revenue from service warranty is recognised based on the input cost method(based on the actual performance) of the contract .

iv. Interest income:

Interest income is recognised using the effective interest method.

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v. Rental income:

Rental income from operating leases is accounted for on a straight-line basis over the lease term.

vi. Dividend Income:

Dividend income is recognised as and when right to receive is established.

(d) Employee benefits

Short term benefits:
Salaries, wages, short-term compensated absences and other short term benefits, accruing to employees are recognised at undiscounted amounts in the period in which the employee renders the related service.

Retirement benefits

Defined contribution plan:
Payments to defined contribution retirement benefit plans are recognised as expense when employees have rendered the service entitling them to the contribution . The Company makes monthly contributions towards the employees' provident fund.
Defined benefit plan:

The Company's liability towards gratuity is determined based on the present value of the defined benefit obligation and fair value of plan assets and the net liability or asset is recognized in the balance sheet. The net liability or asset represents the deficit or surplus in the plan (the surplus is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions). The present value of the defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. Defined benefit costs are composed of:
i. service cost – recognized in the statement of profit or loss;
ii. net interest on the net liability or asset - recognized in the statement of profit or loss;
iii. remeasurement of the net liability or asset - recognized in other comprehensive income

(e) Leases

As a lessee-
At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
At the date of commencement of a lease, the Company recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for short term leases and low value leases. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities. ROU assets are amortised on a straight-line basis over the asset's useful life or the lease period whichever is shorter.
Lease liability is measured by discounting the lease payments using the interest rate using the incremental borrowing rates. Lease liabilities are remeasured with revised discount rate with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.
Impairment of ROU assets is in accordance with the policy for impairment of non- financial assets.
The Company has opted for exemption provided under Ind AS 116 for short-term leases.

(f) Foreign currencies

The functional currency of the Company is the Indian rupee (₹).
Transactions in foreign currencies are recorded at exchange rates prevailing on the dates of the transactions. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit or loss.
Foreign currency denominated non - monetary assets and liabilities that are measured at historical cost are not retranslated.

(g) Taxes

Income tax expense comprises current tax expense and the net change during the year, in the deferred tax asset or liability. Current and deferred taxes are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or in equity, in which case the related current and deferred taxes are also recognised in other comprehensive income or in equity as applicable.

Current and Deferred Taxes are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

i. Current income tax
Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

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ii. Deferred tax

Deferred tax is recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(i) **Property, Plant and Equipment (PPE)**

Tangible assets held for use in production or supply of goods or services, or for administrative purposes, are stated at cost, net of accumulated depreciation and accumulated impairment losses. Properties in the course of construction for production or supply of goods, or services, or for administrative purposes, are carried at cost, less any recognised impairment loss until they are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Cost of an item of property, plant and equipment comprises purchase price net of trade discounts, non-refundable taxes and duties, and all costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. All other assets are depreciated to their residual values on written-down value basis over their estimated useful lives. Estimated useful lives of the assets are as follows:

Nature of tangible asset	Useful life (years) As per Books
~~Buildings~~*	23-33
Plant and Machinery	5
Furniture & fixtures	10
Office equipment	5
Vehicles	8
Computers	6

* The useful life as per books is balance useful life of the assets from the date of the acquisition of the Building.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Any gain or loss arising on derecognition / disposal of an asset is included in the statement of profit or loss.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

(j) **Intangible assets**

Intangible assets acquired are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are derecognised on disposal, or when no further economic benefits are expected from use or disposal. Any gain or loss arising on derecognition is included in profit or loss. The Company, based on technical assessment made by technical expert and management estimate, depreciates the assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013

Last year the Company had changed the accounting estimate of method of amortisation from Written Down value to Straight Line method of depreciation .The impact of the change in the financials is immaterial.

The useful lives of intangible assets are as mentioned below:

Nature of Intangible	Asset Method of Amortisation
Software	Straight Line method of assets over a period of 6 years

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Blue Star Engineering & Electronics Ltd.

(k) **Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates the building component of investment property over 23 to 60 years on written down value basis from the date of original purchase.

Investment properties are derecognized either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from their derecognition. Any gain or loss arising on derecognition of investment properties is included in profit or loss.

(l) **Impairment of non-financial assets**

At the end of each reporting period, property, plant and equipment and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. During the period of development of an intangible asset, the asset is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and an impairment loss is recognised in profit or loss.

(m) **Financial instruments**

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in the Statement of profit or loss.

Financial assets

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage , imprest cash held by the employees on behalf of the Company designated as "cash on hand" in the financial statements and cheques on hand.

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balance, short-term deposits, cash in hand and cheque in hand, as defined above.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities and equity instruments

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.

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Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
This category generally applies to borrowings.

Other financial liabilities
Other financial liabilities (including borrowings and lease rental deposits are subsequent to initial recognition, measured at amortised cost using the effective interest rate (EIR) method.

Derivative financial instruments

The Company enters into derivative contracts to hedge foreign currency/price risk on unexecuted firm commitments or highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedged item.

Derecognition of financial instruments
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement
When the fair values of financial assets or financial liabilities recorded and disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility risk.

(n) Inventories
Inventories are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
Demo Inventory, which requires to provide its potential customers with the demonstration of products in order to secure sale orders from the customers are amortised over the period of 5 years or expected realisable value whichever is lower.

(o) Provisions and contingencies

Provisions
A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for warranties
The estimated liability for product warranties is recorded when products are sold / project is completed. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management's estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims arise being typically upto five years .

Contingencies
Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognised nor disclosed in the financial statements

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(p) Segment reporting

Segments are identified based on the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/ liabilities".

(q) Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company.

Basic earnings per share is calculated by dividing the total profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Blue Star Engineering & Electronics Ltd. ★

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3.A Property Plant & Equipment

₹ Lakhs

Particulars	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
Cost							
At April 1, 2019	1,194.05	172.98	0.20	55.25	173.20	4.65	**1,600.33**
Additions	-	18.81	-	2.92	8.38	-	**30.11**
Disposals	-	(28.98)	-	(4.80)	(92.51)	-	**(126.29)**
At March 31, 2020	**1,194.05**	**162.81**	**0.20**	**53.37**	**89.07**	**4.65**	**1,504.15**
At April 1, 2020	1,194.05	162.81	0.20	53.37	89.07	4.65	**1,504.15**
Additions	-	-	-	1.65	16.16	-	**17.81**
Retirements	-	(69.07)	-	(31.52)	-	-	**(100.59)**
At March 31, 2021	**1,194.05**	**93.74**	**0.20**	**23.50**	**105.23**	**4.65**	**1,421.37**
Depreciation and Impairment							
At April 1, 2019	375.00	112.71	0.09	40.58	111.27	2.96	**642.61**
Disposals	-	(13.63)	-	(3.88)	(70.10)	-	**(87.61)**
Provided during the year	71.26	11.69	0.02	6.11	17.62	0.60	**107.30**
At March 31, 2020	**446.26**	**110.77**	**0.11**	**42.81**	**58.79**	**3.56**	**662.30**
At April 1, 2020	446.26	110.77	0.11	42.81	58.79	3.56	**662.30**
Disposals	-	(57.80)	-	(29.36)	-	-	**(87.16)**
Provided during the year	64.90	7.33	0.01	4.18	12.43	0.19	**89.04**
At March 31, 2021	**511.16**	**60.30**	**0.12**	**17.63**	**71.22**	**3.75**	**664.18**
Net Book Value							
At March 31, 2021	682.89	33.44	0.08	5.87	34.01	0.90	**757.19**
At March 31, 2020	747.79	52.04	0.09	10.56	30.28	1.09	**841.85**

3.B. Investment Property

Cost	₹ Lakhs
At April 1, 2019	7,228.21
Additions	-
Disposals	(183.85)
At March 31, 2020	7,044.36
Additions	
Disposals	
At March 31, 2021	7,044.36
Depreciation	
At April 1, 2019	2,116.68
Additions	437.16
Disposals	(27.32)
At March 31, 2020	2,526.52
Additions	391.51
Disposals	
At March 31, 2021	2,918.03
Net Book Value	
At March 31, 2021	4,126.33
At March 31, 2020	4,517.84

Information regarding Income & Expenditure of Investment property

₹ Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rental income derived from investment property	329.29	444.31
Direct operating expenses (including repairs and maintenance) associated with rental income	(29.68)	(19.54)
Profit arising from investment property before depreciation and indirect expenses	299.61	424.77
Less: Depreciation	(391.51)	(437.16)
Profit /(loss) arising from investment property before indirect expenses	(91.90)	(12.39)

As at 31 March 2021 and 31 March 2020, the fair value of the property is ₹ 8,099.00 lacs and ₹ 7,440.23 lacs respectively. The valuation is based on fair value assessment done by accredited independent valuers.

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements.

Movement in Fair value of Investment properties

	31st March, 2021	31st March, 2020
Opening Fair Value	7,440.23	7,715.59
Transfer to Investment Property	-	-
Transfer from Investment Property	-	(253.08)
Fair value difference	658.77	(22.28)
Closing balance	8,099.00	7,440.23

3.C Intangible Assets

	Software
	₹ Lakhs
Cost	
At April 1, 2019	3.20
Additions during the year	11.30
At March 31, 2020	**14.50**
At April 1, 2020	14.50
Additions during the year	-
At March 31, 2021	**14.50**
Amortisation and impairment	
At April 1, 2019	2.37
Provided during the year	2.21
At March 31, 2020	**4.58**
At April 1, 2020	4.58
Provided during the year	1.63
At March 31, 2021	**6.21**
Net Book Value	
At March 31, 2021	8.29
At March 31, 2020	9.92

Blue Star Engineering & Electronics Ltd.

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Notes to Financial Statements for the year ended March 31, 2021

4. Financial Assets

4(a). Loans (Unsecured considered good unless otherwise stated)

₹ Lakhs

Particulars	Non-current		Current	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Security Deposit & Earnest Money Deposit	36.32	35.42	122.22	121.27
Less: Allowance for Doubtful Deposit	-	-	(30.50)	(30.50)
Security Deposit & Earnest Money Deposit (Net Balance)	36.32	35.42	91.72	90.77
Loans to employees	82.15	17.18	34.05	4.00
Inter-Corporate Deposits * (including interest accrued thereon)	-	-	13,000.00	7,594.03
Total Loans	**118.47**	**52.60**	**13,125.77**	**7,688.80**

* Inter Corporate deposit is placed for purpose of meeting working capital requirement for the period of one year with call/ Put option to be paid on immediate basis on demand by the parties.

4(b). Other Financial Assets

₹ Lakhs

Particulars	Non-current	
	31st March, 2021	31st March, 2020
Non-current bank balances (including accrued interest thereon)	0.71	-
Total Other Financial Assets	**0.71**	**-**

5. Inventories

(Valued at lower of cost and net realisable value)

₹ Lakhs

Particulars	31st March, 2021	31st March, 2020
Traded goods (includes in transit: ₹ 211 lakhs (31st March,2020: ₹32.62 lakhs)*	1,031.70	1,557.70
Demo Stock (net of amortisation)	440.08	458.99
	1,471.78	**2,016.69**

*. The above inventory values are net of provisions made of ₹313 Lakhs (March 31, 2020 ₹313 Lakhs) for slow moving, obsolete and defective inventory.

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Blue Star Engineering & Electronics Ltd.

6. Receivable

₹ Lakhs

	Current	
	31st March, 2021	31st March, 2020
Trade Receivables considered good-Unsecured	2,661.24	3,452.98
Trade Receivables - Credit impaired	1,250.95	1,495.45
	3,912.19	4,948.43
Less: Allowance for doubtful debts	(1,250.95)	(1,495.46)
Total Trade receivables	**2,661.24**	**3,452.97**

The movement for allowance for doubtful debts during the year in respect of trade receivables containing significant credit risk are as follows:

Particulars	31st March, 2021	31st March, 2020
Opening Balances as on 1st April	1,495.46	1,300.95
Impairment loss recognised	255.40	194.51
Less: Allowances provided earlier written off as bad debts	(499.91)	
Closing balances as on 31st March	1,250.95	1,495.46

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. Cash and Cash Equivalent

₹ Lakhs

	31st March, 2021	31st March, 2020
Cash and cash equivalents		
Balances with banks:		
– On current accounts	524.29	670.61
– Deposits with original maturity of less than 3 months	7.12	1,509.93
Other bank balances		
Cash and bank balance not available for immediate use	2.19	-
Cash on hand	7.06	5.69
	540.66	**2,186.23**

8 Other Assets

₹ Lakhs

	Non-current		Current	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Contract Assets	-	-	66.76	41.61
Less: Allowances for doubtful contract asset	-	-	(17.44)	(19.14)
Net Contract Assets	-	-	49.32	22.47
Unbilled Revenue on AMC	-	-	210.61	190.46
Prepaid Gratuity(Refer Note 25)	55.26	-	-	-
Capital Advances	9.45	10.96	-	-
Balance with Statutory Authorities	76.01	222.99	472.09	161.73
Vendor Advances	-	-	556.32	743.27
Prepaid Expenses	-	-	1,111.25	1,006.35
Others	-	-	7.58	17.45
	140.72	**233.95**	**2,407.17**	**2,141.73**

The movement for allowance for doubtful contract asset during the year are as follows :

₹ Lakhs

	31st March, 2021	31st March, 2020
Opening Balance as on 1st April	(19.14)	(32.00)
Allowance for the year	-	-
Allowance reversed during the year	1.70	12.86
Closing balance as on 31st March	(17.44)	(19.14)

Categorisation of financial assets carried at amortized cost

₹ Lakhs

Particulars	31st March, 2021	31st March, 2020
Trade receivables (refer note 6)	2,661.24	3,452.97
Cash & cash equivalents (refer note 7)	540.66	2,186.23
Loans (current & non current) (refer note 4a)	13,244.24	7,741.40
Other Financial asset (refer note 4b)	0.71	-
Total financial assets carried at amortized cost	**16,446.84**	**13,380.60**

The carrying amount of financial assets measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

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9 Share Capital

Authorised Share Capital	31st March, 2021		31st March, 2020	
	No.	₹ Lakh	No.	₹ Lakh
10% Cumulative Redeemable Preference Shares of ₹ 100 each	18,00,000	1,800.00	18,00,000	1,800.00
Equity Shares of ₹ 2 each	5,50,00,000	1,100.00	5,50,00,000	1,100.00

Terms of / rights attached to Preference Shares :
The preference shares shall rank for the dividend in priority to the equity shares of the Company in the event of increase in share capital or winding up of the Company up to amount of dividend or any arrears of dividend. Preference share holders will not have any further right to participate in the profits or assets of the Company.

Terms of / rights attached to Equity Shares

The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each share holder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of number of equity shares held by the shareholders.

Issued, subscribed and paid up Share Capital

Equity Shares of ₹ 2 each issued, subscribed & fully paid up

Particulars	Balance as at 31st March, 2021		Balance as at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,29,25,052	1,058.50	5,29,25,052	1,058.50
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,29,25,052**	**1,058.50**	**5,29,25,052**	**1,058.50**

Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	31st March, 2021		31st March, 2020	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited, the Holding Company and its Nominees	5,29,25,052	100.00%	5,29,25,052	100.00%

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Blue Star Engineering & Electronics Ltd.

10 Borrowings

₹ Lakhs

	31st March, 2021	31st March, 2020
Current Borrowings		
Cash Credit / Bank overdrafts (secured)	-	1,569.17
Total current borrowings	-	**1,569.17**
Aggregate secured loans	-	1,569.17
Total	-	**1,569.17**

Cash Credit (Secured):
The cash credit was repayable on demand secured against books debts & inventory of the Company and had carried an interest at 7.6% to 9.80% .

11 Trade Payables

₹ Lakhs

	31st March, 2021	31st March, 2020
Trade Payables		
Dues of other than Micro Enterprises and Small Enterprises	4,295.10	4197.82
Dues of Micro Enterprises and Small Enterprises(Refer below note)	0.88	0.60
Total Payable	**4,295.98**	**4,198.42**

Micro, Small and Medium Enterprises Disclosure

₹ Lakhs

Particulars	31st March, 2021	31st March, 2020
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	0.88	0.60
(ii) Interest due on above (b) Amount of interest paid by the buyer in terms of section 16 of the Act	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year but without adding the interest specified under this Act).	-	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act, 2006	-	-

Blue Star Engineering & Electronics Ltd.

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12 Other Financial Liabilities

₹ Lakhs

Particular	Current 31st March, 2021	Current 31st March, 2020
Foreign exchange forward contracts	1.29	2.48
Total other financial liabilities at fair value through profit or loss	**1.29**	**2.48**
Financial liabilities at amortized cost		
Other deposits	264.77	263.59
Total other financial liabilities at amortized cost	**264.77**	**263.59**
Total other financial liabilities	**266.06**	**266.07**

Foreign exchange forward contracts

The Company enters into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of all trade payables and receivables denominated in foreign currency. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

13 Other Current Liabilities

₹ Lakhs

Particular	31st March, 2021	31st March, 2020
Contract liabilities from contracts with customer	2,144.98	3,010.70
Contract liabilities from AMC	1,313.03	473.09
Advances from customers	1,650.86	2,092.46
Dues to Statutory bodies	127.43	257.54
Others	284.72	83.63
Total Other Liabilities	**5,521.02**	**5,917.42**

Categorisation of financial liabilities :

₹ Lakhs

Particulars	31st March, 2021	31st March, 2020
At Fair Value		
Foreign exchange forward contracts	1.29	2.48
At Amortised Cost		
Trade payables (refer note 11)	4,295.98	4,198.42
Borrowings (refer note 10)	-	1,569.17
Other financial Liabilities (refer note 12)	266.06	266.07
Total financial liabilities carried at amortized cost	**4,562.04**	**6,033.66**

The carrying amount of financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amount would be significantly different from the value that would eventually be paid or settled.

Reconciliation between opening and closing balances of liabilities arising from financing activities for the year ended 31st March 2021:

Particulars	Current Borrowings
At the beginning of the year	1,569.17
Cashflows during the year (net)	(1,569.17)
At the end of the year	-

14 Provisions

₹ Lakhs

	Non Current		Current	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Provision for employee benefits				
Provision for gratuity & additional gratuity (Refer note 25)	-	9.56	-	-
Provision for compensated absences (Refer note 25)	-	-	99.24	147.31
Provision for Additional Gratuity	2.62	2.93	-	-
	2.62	**12.48**	**99.24**	**147.31**
Other provisions				
Provision for warranties	-	-	327.15	347.51
Provision for foreseeable losses	-	-	88.03	-
	-	**-**	**415.18**	**347.51**
Total	**2.62**	**12.48**	**514.42**	**494.82**

Provision for warranties

Warranty is provided to the customer for a period of 12-60 months on from the handling over of the project and on sale of traded goods. A provision is recognised for expected warranty claims comprising of claims for material, spares, labour and other items in connection with the sale/contract on jobs completed during provision periods and on warranty provided on sale of traded goods, based on past experience of such claims.

Movement in provision for warranty	31st March, 2021	31st March, 2020
Opening as on 1st April	347.51	434.49
Arising during the year	185.14	154.85
Utilized during the year	(205.50)	(241.83)
At 31st March 2021	**327.15**	**347.51**

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Notes to Financial Statements for the year ended March 31, 2021

15. Income Tax

The major components of income tax expense are-

₹ Lakhs

	For the year ended	
	31 March, 2021	31 March, 2020
Profit or loss Section		
Deferred tax:		
MAT Charge recognised in the Statement of Profit and Loss	304.01	(420.00)
Deferred tax charge recognised in the Statement of Profit and Loss	188.00	1161.72
	492.01	741.72
Current Income Tax:		
Current tax	913.73	1,086.77
Total Current income tax charge	913.73	1,086.77
Income tax expense reported in the statement of profit or loss	**1,405.74**	**1,828.49**

Reconciliation of tax on profit before tax at substantively enacted statutory tax rate with income tax expense for the year

₹ Lakhs

	31 March, 2021	31 March, 2020
Profit before tax	3,705.28	6,012.49
Other Comprehensive Income before tax	62.74	(28.41)
Profit before tax	**3,768.02**	**5,984.08**
At India's statutory income tax rate of 25.168% (31st March, 2020: 29.12%)	948.34	1,742.86
Disallowance on CSR & house property expense	79.68	11.37
(Benefit) / Charge on account of allowances/ disallowances of certain expenses.	266.07	(35.73)
Disallowance on depreciation of investment properties	111.65	109.99
At the effective income tax rate	**1,405.74**	**1,828.49**

Deferred tax

Deferred tax relates to the following

₹ Lakhs

	Balance Sheet	
	31 March, 2021	31 March, 2020
Deferred Tax components		
Provision for Doubtful debts	315.14	396.00
Provision made disallowed and allowed only on payment basis	8.00	46.09
Difference between tax book and accounting books	-	98.00
Others	30.00	43.00
Retention	(4.00)	(39.00)
Prepaid Gratuity	(14.00)	-
MAT Credit entitlement	-	1,787.12
Total (excluding MAT Credit Entitlement)	**335.14**	**2,331.21**

16. Revenue from operations

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Revenue from operations		
Sale of products	13,163.79	19,336.41
Sale of Services	4,441.87	4,020.76
Contract revenue	239.00	533.17
Rental Income	329.29	444.32
Other operating revenue		
Profit on sale of Investment property	-	21.80
Service Income	-	92.78
Others	-	0.96
Total revenue from operations	**18,173.95**	**24,450.20**

17. Other income

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Net Translation gain on monetary assets/liabilities	7.92	5.15
Interest Income		
- Inter-Corporate deposit	516.83	489.05
- Income tax refund	90.24	-
-Others	14.23	3.80
Dividend on Mutual Fund	5.18	-
Provisions and liabilities no longer required, written back	238.83	196.55
Other Income	-	7.01
Total	**873.23**	**701.56**

Blue Star Engineering & Electronics Ltd.

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18. Cost of Raw Material and Components Consumed

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Cost of material consumed and project costs	2,266.85	1,693.04
Total cost of material consumed and project costs	**2,266.85**	**1,693.04**

Purchase of Stock in Trade	**8,427.24**	**13,269.95**

Changes in Inventories

₹ Lakhs

Inventories at the end of the year		
Traded goods	1,471.72	2,016.69
	1,471.72	**2,016.69**
Inventories at the beginning of the year		
Traded goods	2,016.63	1,154.66
	2,016.63	**1,154.66**
(Increase) / Decrease in inventories	**544.91**	**(862.03)**

19. Employee benefits expense

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Salaries, wages and bonus	1,961.50	2,660.68
Contribution to provident and other funds(Refer Note 25)	92.72	102.76
Gratuity expense(Refer Note 25)	27.04	15.52
Other employment benefits	26.09	42.89
Staff welfare expenses	32.47	69.58
	2,139.82	**2,891.43**

20. Depreciation and amortization expenses

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Depreciation on Tangible Assets (Refer Note no.3a)	89.04	107.30
Amortization of Intangible Assets (Refer Note no.3b)	1.63	2.21
Depreciation on Investment Properties(Refer Note no.3c)	391.51	437.16
	482.18	**546.67**

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21. Finance costs

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Interest on loans and other borrowings	60.68	20.35
Bank charges	35.32	52.28
	96.01	**72.63**

22. Other expenses

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Stores and spares consumed	0.35	1.27
Rent	50.83	29.83
Rates and taxes	149.39	24.49
Power and fuel	8.81	2.23
Insurance	21.63	28.27
Repairs and maintenance	22.44	11.58
Advertising and sales promotion	9.24	9.37
Conference Expense	-	0.07
Communication Expenses	47.18	64.99
Commission, discounts and incentives on sales	18.24	50.50
Freight and forwarding charges	75.53	59.64
Travelling and conveyance	296.28	551.42
Printing and stationery	3.45	12.18
Legal and professional fees	157.71	265.41
Directors' sitting fees	-	0.25
Payment to auditors (Refer details A below)	18.05	16.10
Corporate social responsibility expenses (Refer details B below)	50.00	19.50
Loss on sale of fixed assets (net)	17.17	4.76
Bad debts / advances written off	499.91	-
Provision for doubtful debts and advances and expected credit loss (net)	(249.71)	181.63
Miscellaneous expenses	56.39	62.08
Payment of shared service charges to Holding company	132.00	132.00
	1,384.89	**1,527.57**

A. Payment to auditors

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
As auditor:		
Audit fee	12.00	12.00
Limited review	3.00	3.00
In other capacity	-	-
Other services	3.00	1.00
Reimbursement of expenses	0.05	0.10
	18.05	**16.10**

B Corporate social responsibility expenses

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
i) Gross amount required to be spend by the Company during the year	50.00	19.50
ii) Amount spent during the year	44.00	19.50
iii) Amount to be spent	6.00	-

23. Earning Per Shares

The following reflects the income and share data used in the basic and diluted EPS computations :

	For the year ended	
	31st March, 2021	31st March, 2020
Profit attributable to equity holders of the Company(₹ in lakhs)	2,299.54	4,184.01
Weighted average number of equity shares(Nos.)	5,29,25,052	5,29,25,052
Basic and diluted earnings per share(in ₹)	**4.34**	**7.91**

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24 Critical Accounting Judgements and Key Sources Of Estimation Uncertainty

The preparation of financial statements requires Management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on the Company's historical experience, existing market conditions, as well as forward looking estimates including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Expected cost of completion of projects / Long term service contracts

For the purpose of arriving at Revenue from projects, the Company's Management estimates the cost to completion for each project. Management systematically reviews future projected costs and compares the aggregate of costs incurred to date and future costs projections against budgets, on the basis of which, proportionate revenue (or anticipated losses), if any, are recognized.

Warranties

Provision for warranty costs in respect of products sold which are still under warranty is based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period. Warranty costs are estimated by the Management based on specific warranties, claims and claim history. Provision is made for estimated liability in respect of warranty cost in the year of sale of goods.

Employee benefit plans

The present value of defined benefit obligations is determined on an actuarial basis using a number of underlying assumptions, including the discount rate ,mortality rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

Income Taxes

Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets (including MAT recoverable) are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Significant judgements are also involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the probable outcome of the uncertain tax positions management considers the expert advice, past pronouncements, judgements on the matter under litigation, changes in regulations and related interpretations and accordingly, determines the amount of requisite tax provisions and / or contingent liability disclosures, as applicable. The actual outcome of the uncertain tax positions could be different than those estimated by the management.

We have exercised the option to shift to lower tax regime referred to in sub-section (5) of section 115BAA of Income -tax Act 1961 for the previous year 2019-20 and subsequent years. The impact of shifting into lower tax regime is presented in current tax expense by considering MAT charge of Rs.304 Lacs (Refer Note no 15)

COVID 19 - Recoverability of assets

The Company continues to monitor the economic effects of COVID-19, including the recoverability of assets based on current indicators of future economic conditions and has taken steps to improve operational and financial efficiencies. The ultimate impact of the pandemic may be different from that presently estimated and would be recognized in the financial statements, if and when material changes to economic conditions arise.

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25 Employee Benefits Disclosure

I.Defined Benefit Plans

a. Gratuity

The fund formed by the Parent Company manages the investments of the Gratuity fund. Market volatility, changes in inflation and interest rates, rising longetivity, plan administration expense and regulatory changes are just some of the factors that create financial risk in defined benefit plans. If not managed, defined benefit plan risk will impact credit ratings, access to capital, share prices and plans for growth, as well as divert attention and valauble resources from core business strategy to pension issues. As the plan assets include investments mainly in public sector undertakings, state government securities and investments with the approived insurance company, the company's exposure to equity market risk is minimal.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the profit or loss.

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities. The Company expects to contribute NIL amount to gratuity fund in FY 2021-22 (FY 2020-21 - Rs 37.61 lakhs).

Disclosure Information :

(i) Change in Present Value of Defined Benefit Obligation:

₹ Lakhs

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined Benefit obligations at the beginning of the year	334.37	301.37	-	51.37	2.62	2.47
Service cost						
a. Current Service Cost	26.42	26.78	-	-	0.15	0.14
Interest Expense	21.38	22.04	-	-	0.17	0.18
Cash Flow						
a. Benefits payments from Planned assets	(45.27)	(44.22)	-	-	-	-
b. Benefits payments from Employer	-	-	-	-	-	-
c. Settlement payments from Planned assets	-	-	-	-	(0.20)	(0.30)
Transferred to Blue Star			-	(51.37)		
Remeasurements						
a. Due to change in demographic assumptions	-	0.01	-	-	-	-
a. Due to change in financial assumptions	-	15.53	-	-	-	0.13
b. Due to experience adjustments	(36.28)	12.86	-	-	(0.11)	-
Defined Benefit obligation at the end of the year	**300.63**	**334.37**	**-**	**-**	**2.62**	**2.62**

(ii) Change in fair value of plan assets

₹ Lakhs

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Fair Value of the plan asset at the beginning of the year	324.80	299.62	-	-	-	-
Interest income	20.77	21.92	-	-	-	-
Cash flows						
a. Total employer contributions						
(i) Employer contributions	29.13	47.48	-	-	-	-
(ii) Employer direct benefit payments			-	-		
b. Benefit payments from plan assets	(45.27)	(44.22)	-	-	-	-
c. Benefit payments from employer	-	-	-	-	-	-
Remeasurements						
a. Return on assets (excluding interest income)	26.46	-	-	-	-	-
Fair value of plan assets at end of the year	**355.89**	**324.80**	**-**	**-**	**-**	**-**

0.20 0.45

(iii) Components of defined benefit cost

₹ Lakhs

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Service cost	26.42	26.77	-	-	0.15	0.14
Net interest cost						
a. Interest expense on DBO	21.38	22.04	-	-	0.17	0.18
b. Interest (income) on plan assets	(20.77)	(21.91)	-	-	-	-
Total interest cost	0.61	0.13	-	-	0.17	0.18
Defined benefit cost included in P&L(Refer Note 19)	**27.04**	**26.90**	**-**	**-**	**0.31**	**0.32**

(iv) Remeasurements (recognized in other comprehensive income (OCI)

₹ Lakhs

Particulars	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
a. Due to change in demographic assumptions	-	0.01	-	-	-	-
a. Due to change in financial assumptions	-	15.53	-	-	-	0.13
b. Due to change in experience adjustments	(36.28)	12.86	-	-	(0.11)	-
c. (Return) on plan assets (excl. interest income)	(26.46)	-	-	-	-	-
Total remeasurements recognised in OCI	-62.74	28.40	-	-	-0.11	0.13
Total defined benefit cost	**(35.70)**	**55.30**	-	**-**	**0.20**	**0.45**

(v) Amounts recognized in Balance sheet

₹ Lakhs

	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined benefit obligation	300.63	334.37	-	-	2.62	2.62
Fair value of plan assets	355.89	324.80	-	-	-	-
Funded status	(55.26)	9.57	-	-	2.62	2.62
Net defined benefit liability / (asset)(Refer Note 8 & 14)	**(55.26)**	**9.57**	**-**	**-**	**2.62**	**2.62**

(vi) Net defined benefit liability / (asset) reconciliation

₹ Lakhs

	Gratuity (Funded)		Gratuity (Un-Funded)		Additional Gratuity(Un-Funded)	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Net defined benefit liability (asset) at the beginning of the year	9.57	1.75	-	51.38	2.62	2.47
Defined benefit cost included in P&L	27.04	26.90	-	-	0.31	0.32
Total remeasurements included in OCI	(62.74)	28.40	-	-	(0.11)	0.13
a. Employer contributions	(29.13)	(47.48)	-	-	-	-
b. Employer direct benefit payments	-	-	-	-	(0.20)	(0.30)
Transferred to Blue Star	-	-	-	(51.38)	-	-
Net defined benefit liability / (asset) as of end of the year	**(55.26)**	**9.57**	**-**	**-**	**2.62**	**2.62**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ Lakhs

Particulars	31st March, 2021	31st March, 2020
Insurance company products	285.60	-
Others	70.29	324.80
Total	**355.89**	**324.80**

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Blue Star Engineering & Electronics Ltd.

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Notes to Financial Statements for the year ended 31st March,2021

The Principal assumptions used in determining gratuity for the company's plan are :

	Gratuity (Funded) / Additional Gratuity	
Actuarial Assumptions	31st March, 2021	31st March, 2020
Discount Rate	6.4%	6.4%
Rate of return on plan assets	6.4%	6.4%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Director-Management-staff)	10%,7%,3%	10%,7%,3%
Attrition Rate	11% throughout	11% throughout
Disability rate	5% of IALM 12-14	5% of IALM 12-14
Normal retirement age	65 Years for Directors 60 Years for Others	65 Years for Directors 60 Years for Others

A quantitative sensitivity analysis for significant assumptions as at March 31, 2021 is shown as below:

Assumptions	Gratuity (Funded) 31st March, 2021	Additional Gratuity (Un-Funded) 31st March, 2021
Discount Rate		
Discount Rate - 50 Basis Points	309.17	2.70
Assumption	2.80%	3.20%
Discount Rate + 50 Basis Points	292.51	2.54
Assumption	-2.70%	-3.00%
Salary Increase Rate		
Salary Rate - 50 Basis Points	292.52	-
Assumption	-2.70%	-
Salary Rate + 50 Basis Points	309.08	-
Assumption	2.80%	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2020-21

The average duration of the defined benefit plan obligation at the end of the reporting year 2020-21 is 5 years.

III. General Description of significant defined plans:
1. Gratuity Plan
Gratuity is payable to all eligible employees on separation /retirement based on 15 days last drawn salary for each completed years of service after continuous service for 5 years.

2. Additional Gratuity
Additional Gratuity is payable as per the specific rules of the Company i.e. Rs. 5,000/- for staff and Rs.10,000/- for Managers subject to qualifying service for 15 years.

II.Defined Contribution Plans

a. Provident Fund

The Company's contribution to Provident fund and other funds aggregating during the period ended March 31, 2021 is ₹ 76.82 Lakhs (and during the year ended 31 March 2020: ₹ 86.26 Lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense(Refer note 18).

b.Compensated Absence Plan

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation at the rate of daily salary, as per current accumulation of leave days.

HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Engineering & Electronics Ltd.

26 Related party disclosure

Name of the Related parties where control exists irrespective of whether transactions have occurred or not.
Related parties where controls exists- Holding Company
Blue Star Limited

Key Management Personnel
Mr. Vir S. Advani, Chairman
Mr. B Thiagarajan, Director
Mr. Neeraj Basur, Director
Mr. Prem Kalliath, Chief Executive Officer
Mr. R Sivakumar, Chief Financial Officer
Mr. Yogesh Joshi, Company Secretary

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and the balances receivable or payable on account of the same

₹ Lakhs

	For the year ended	
	31st March, 2021	31st March, 2020
Blue Star Limited		
Income:		
Contract Revenue	82.33	277.94
Sale of traded goods	1.01	-
Shared Service Income	-	92.78
Rent income	329.29	329.29
Interest Income on Inter Corporate Deposit	516.82	489.05
IT Support Income	-	177.40
Expenses:		
Purchase of Stock -in -trade	5.82	11.47
Shared Service cost	132.00	132.00
Collateral Guarantee Rent	-	-
Recovery of IT Expense	-	177.40
Other transactions:		
Inter corporate deposits placed	13,000.00	4,500.00
Key Management Person (KMP)		
Remuneration:		
Prem Kalliath	191.76	204.60
Loan Given/ (Recovery)		
Prem Kalliath	(0.11)	(1.33)
Balance Outsanding :		
Blue Star Limited		
Loans (including accrued interest)	13,000.00	7,596.61
Balance due -Receivable/(payable)		
Debtors	1.76	66.74
Other current liabilties	(379.57)	(139.14)
Lease Rental Deposit	264.77	264.77
Balance receivable from Loan given to KMP		
Prem Kalliath	16.21	16.22

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Blue Star Engineering & Electronics Ltd.

Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2021

27 Segment Information:

A. **Primary Segment Reporting (by Business Segment)**

The Company's business segments are organised around product lines as under:

a. Plumbing & Fire-fighting systems including contracting business of engineering, construction, installation, commissioning and after sales service

b. Professional Electronics and Industrial Systems includes trading and services for industrial products and systems, Material Testing Equipment & Systems (Destructive /Non-destructive), Data Communication Products & Services, Testing & Measuring Instruments and Healthcare Systems

c. Providing properties on Rent

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Segment Revenues, Results and other Information:

₹ Lakhs

I. SEGMENT REVENUE	For the year ended	
	31st March, 2021	31st March, 2020
i. Plumbing and Fire Fighting Systems	73.93	418.10
ii. Professional Electronics and Industrial Systems	17,770.73	23,579.20
iii. Renting of Properties	329.29	452.90
TOTAL SEGMENT REVENUE	**18,173.95**	**24,450.20**

II. SEGMENT RESULT

i. Plumbing and Fire Fighting Systems	3.73	2.81
ii. Professional Electronics and Industrial Systems	3,379.88	5,499.53
iii. Renting of Properties	(118.66)	(45.42)
TOTAL SEGMENT RESULT	**3,264.95**	**5,456.92**
Less: i) Finance Cost	(96.01)	72.64
ii) Other un-allocable Expenditure Net of un-allocable Income	536.36	628.19
TOTAL PROFIT BEFORE TAX	**3,705.28**	**6,012.50**
Tax Expense	(1,405.74)	(1,828.49)
NET PROFIT /(LOSS) AFTER TAX	**2,299.54**	**4,184.01**

III. OTHER INFORMATION:

₹ Lakhs

A. SEGMENT ASSETS	As at	
	31st March, 2021	31st March, 2020
i. Plumbing and Fire Fighting Systems	659.62	874.09
ii. Professional Electronics and Industrial Systems	6,354.59	7,677.64
iii. Renting of Properties	4,446.57	4,909.73
TOTAL SEGMENT ASSETS	**11,460.78**	**13,461.46**
Add: Un-allocable Corporate Assets	14,320.10	12,012.33
TOTAL ASSETS	**25,780.88**	**25,473.79**

B. SEGMENT LIABILITIES

i. Plumbing and Fire Fighting Systems	530.32	611.54
ii. Professional Electronics and Industrial Systems	10,066.48	8,900.10
iii. Renting of Properties	301.15	270.54
TOTAL SEGMENT LIABILITIES	**10,897.95**	**9,782.18**
Add: Un-allocable Corporate Liabilities	(297.86)	2,873.10
TOTAL LIABILITIES	**10,600.09**	**12,655.28**

C. ADDITIONS TO NON CURRENT ASSETS

i. Plumbing and Fire Fighting Systems	-	-
ii. Professional Electronics and Industrial Systems	17.81	29.86
iii. Renting of Properties	-	-
iv. Other Un-allocable	-	0.25
TOTAL	**17.81**	**30.11**

D. DEPRECIATION & AMORTISATION EXPENSE	For the year ended 31 March ,2021	For the year ended 31 March ,2020
i. Plumbing and Fire Fighting Systems		
ii. Professional Electronics and Industrial Systems	89.04	107.30
iii. Renting of Properties	391.51	437.16
iv. Other Un-allocable	1.63	2.21
TOTAL	**482.18**	**546.67**

E. NON CASH EXPENSES OTHER THAN DEPRECIATION	For the year ended 31 March ,2021	For the year ended 31 March ,2020
i. Plumbing and Fire Fighting Systems	19.00	-
ii. Professional Electronics and Industrial Systems	231.21	181.63
iii. Renting of Properties	-	-
TOTAL	**250.21**	**181.63**

HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Star Engineering & Electronics

28 Derivative Instruments and foreign currency exposure

The Company has a well-defined forex risk management policy which ensures proactive and regular monitoring and managing of foreign exchange exposures. Financial risks relating to changes in exchange rates are hedged by forward and options contracts. The hedging strategy is used towards managing currency fluctuation risk and the Company does not use foreign exchange forward and options contract for trading or speculative purposes.

Forward and options contract are fair valued at each reporting date. The resultant gain or loss of forward and option contract is recognised in the Statement of Profit and Loss.

Commodity risk is mitigated by entering into annual rate contracts with major suppliers which is factored in pricing decisions. This approach provides sufficient mitigation against volatility in commodity rates

a: Derivative Instruments: Forward contract outstanding as at Balance Sheet date

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Foreign Currency	Amount in Foreign Currency	₹ Lakh	Amount in Foreign Currency	₹ Lakh
Particulars of Derivatives				
Forward cover to Purchase USD & CNY:	73,800	54	67,000	51
Forward cover to Purchase EUR	-	-	86,307	71
Hedge of underlying payables - USD	-	-	1,53,307	122

b: Particulars of Un-hedged foreign Currency Exposures as at the Balance Sheet date

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Foreign Currency	Amount in Foreign Currency	₹ Lakh	Amount in Foreign Currency	₹ Lakh
Bank Balances				
AED	34,804	6.93	23,265	4.79
EUR	1,92,381	164.97	3,55,204	294.00
CAD	38,874	22.56	21,835	11.59
USD	3,19,487	233.58	4,46,160	337.56
Receivables				
AED	42,701	8.50	35,575	7.33
CAD	-	-	2,25,979	119.96
EUR	2,18,579	187.43	5,10,464	422.51
GBP	7,781	7.84	9,061	8.47
JPY	22,75,102	15.04	83,60,201	58.21
USD	10,17,395	743.82	4,11,393	311.26
Payables				
AED	48,613	9.68	48,613	10.01
CAD	14,972	8.69	579	0.31
EUR	4,81,005	412.46	6,37,405	527.58
GBP	1,390	1.40	(647)	(0.61)
JPY	13,500	0.09	13,500	0.09
USD	7,10,895	519.74	5,46,383	413.39

29 Fair Value Hierarchy

The following table provides the fair value measurement heirarchy of the Company's assets and liabilities:

Quantitative disclosures of fair value measurement heirarchy as at 31st March, 2021 :

₹ Lakh

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed: Investment Property (refer note 3b)	31st March,2021	8,099.00	-	-	8,099.00
Liabilities measured at fair value: Derivatives not designated as hedges - Foreign exchange forward contracts(Refer Note 12)	31st March,2021	1.29	-	1.29	-

There have been no transfers between Level 1,Level 2 and Level 3 during the year.

Quantitative disclosures of fair value measurement heirarchy as at 31st March, 2020 :

₹ Lakh

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed: Investment Property (refer note 3b)	31st March,2020	7,440.23	-	-	7,440.23
Liabilities measured at fair value: Derivatives not designated as hedges - Foreign exchange forward contracts(Refer Note 12)	31st March,2020	2.48	-	2.48	-

There have been no transfers between Level 1,Level 2 and Level 3 during the year.

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Blue Star Engineering & Electronics Ltd. *

30 Financial Risk Management Objectives & Policies

Financial risk management objectives and policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations. The Company also enters into hedging transactions to cover foreign exchange exposure risk.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite. All foreign currency hedging activities for risk management purposes are carried out by a specialist treasury team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors review and agree policies for managing each of these risks which are summarised below:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

The Company uses derivative financial instruments such as foreign exchange forward contracts and options to manage its exposures to foreign exchange fluctuations.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily US Dollars. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as per its established risk management policy.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax	
		For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
US Dollars	+5%	22.88	29.33
	-5%	(22.88)	(29.33)
Euro	+5%	(3.00)	(1.28)
	-5%	3.00	1.28
CAD	+5%	0.69	1.02
	-5%	(0.69)	(1.02)
GBP	+5%	0.32	0.98
	-5%	(0.32)	(0.98)

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowed funds and so the Company is not exposed to any interest rate risk.

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Blue Star Engineering & Electronics Ltd.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

1. **Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The requirement for impairment is analysed at each reporting date. Refer Note 6 for details on the impairment of trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade receivables as of March 31, 2021	811.54	1,164.76	684.94	2,661.24
Trade receivables as of March 31, 2020	804.99	1,648.00	999.98	3,452.97

2. **Financial instruments and cash deposits**

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly bank fixed deposits, who meet the minimum threshold requirements under the counterparty risk assessment process.

Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across various debt and hybrid instruments

The table below summarise the maturity profile of the Company's financial liabilities :

Particulars	31st March, 2021		
	Less than 1 year	More than 1 year	Total
Trade Payables	4,295.98	-	4,295.98
Other financial liabilities	266.06	-	266.06
Total	**4,562.04**	-	**4,562.04**

Particulars	31st March, 2020		
	Less than 1 year	More than 1 year	Total
Trade Payables	4,198.42	-	4,198.42
Other financial liabilities	266.07	-	266.07
Total	**4,464.49**	-	**4,464.49**

The table below summarise the maturity profile of the Company's financial assets :

Particulars	31st March, 2021		
	Less than 1 year	More than 1 year	Total
Trade Receivables	2,661.24	-	2,661.24
Other financial assets	13,125.77	118.47	13,244.24
Total	**15,787.01**	**118.47**	**15,905.48**

Particulars	31st March, 2020		
	Less than 1 year	More than 1 year	Total
Trade Receivables	3,452.97	-	3,452.97
Other financial assets	7,688.80	52.60	7,741.40
Total	**11,141.77**	**52.60**	**11,194.37**

Blue Star Engineering & Elect...

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DELOITTE

31 Capital Management

Capital includes equity attributable to the equity holders of the Company and net debt.

Primary objective of Company's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements.

32 (a) Disclosure u/s 186(4) of the Companies Act, 2013

During the year the Company has placed Inter Corporate Deposits (ICD) with holding company aggregating to ₹5,500 Lakh (31 March 2020: ₹4,500 Lakhs) for financing the working capital demands its the business. The closing balance as on 31 March 2021 is ₹13,000 Lakhs(Refer Note 4a).

32 (b) Aggregation of expenses disclosed in Cost of material consumed and Project cost (Note 18) in respect of specific items included in Other expenses (Note 22) is as follows:

₹ Lakhs

Nature of expenses	Cost of material consumed and Project cost	Other expenses	Total
Travelling & Conveyance	0.76	296.28	297.04
	(22.09)	(551.42)	(573.51)
Legal & Professional fees	-	157.71	157.71
	(8.99)	(265.41)	(274.40)

Figures in brackets relate to the previous year

Blue Star Engineering & Electronics Ltd.

HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

33 Contingent liabilities

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

₹ Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Claims against the Company not acknowledged as debts in respect of VAT matters	287.62	534.84
Income tax matters	1,786.00	-

34 Disclosure in connection with revenue from contracts with customers

(a) Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by business segments in the manner in which the chief operating decision-maker (CODM) decides about the resource allocation and reviews performance.

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 and March 31, 2020 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors:

₹ Lakhs

	Year ended 31st March, 2021			Year ended 31st March, 2020		
Revenue by segment type	Over time	At a point in time	Total	Over time	At a point in time	Total
Plumbing and Firefighting systems	73.93	-	73.93	325.32	92.78	418.10
Professional electronics and industrial systems	3,565.54	14,205.19	17,770.73	2,992.39	20,586.81	23,579.20
Renting of properties	329.29	-	329.29	452.90	-	452.90
Total	**3,968.76**	**14,205.19**	**18,173.95**	**3,770.61**	**20,679.59**	**24,450.20**

(b) Reconciliation of contracted price with the revenue recognized in profit or loss

₹ Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sales of products at transaction price	13,163.79	19,336.41
Less: Rebates	-	-
Revenue recognised on sale of products	13,163.79	19,336.41

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Blue Star Engineering & Electronics Ltd.

There are no variable consideration in contract price of project revenue.

₹ Lakhs

Particulars	**2020-21**	**2019-20**
Opening balance- Contract assets (net of impairment)	212.93	221.82
Opening balance Contract liabilities*	(3,483.78)	(2,714.50)
Revenue recognised during the year	(3,639.47)	(3,317.71)
Less: Progress billing during the year	3,712.25	2,539.54
Closing balance	**(3,198.07)**	**(3,270.85)**
Closing Balance Contract assets (net of impairment)	259.93	212.93
Closing Balance Contract liabilities including income received in advance	(3,458.00)	(3,483.78)

***The Company has recognised revenue out of opening contract liabilities**	**(3,483.78)**	**(2,714.50)**

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Blue Star Engineering & Electronics Ltd.

35 Leases:

Operating Lease : Company as a Lessee

The Company has entered into operating lease agreements for storage locations and residential premises for its employees . Lease rental expenses debited to Statement of Profit and Loss under rent charges ₹ 29.83 Lakhs (31st March 2020: ₹ 29.83 Lakhs).

Operating Lease : Company as a Lessor

The Company has entered into operating lease agreements. The future lease rental receipts are determined on the basis of monthly lease receipt terms as per the agreements. Lease rental income credited to Statement of Profit and Loss is ₹ 329.29 Lakhs (31st March 2020 : ₹ 444.31 Lakhs).

36 Previous Year Comparatives

Corresponding figures for the immediately preceding period are disclosed in the financial statements. Previous years' figures have been regrouped where necessary to confirm to this year's classification.

For and on behalf of the Board of Directors of
Blue Star Engineering & Electronics Limited

Vir S Advani
Chairman

Neeraj Basur
Director

Prem Kalliath
CEO

Sivakumar Ramani
CFO

Yogesh Joshi
Company Secretary

Place : Mumbai
Date : 28th April 2021

Blue Star Engineering & Electronics Ltd. *

Deloitte Haskins & Sells LLP
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