

Blue Star Climatech Limited

Financial Statements for the period ended March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of **BLUE STAR CLIMATECH LIMITED** Report on the Audit of the Financial Statements

Tel: +91 22 6245 1000
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Opinion

We have audited the accompanying financial statements of **BLUE STAR CLIMATECH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 March 31, 2022, and its loss, 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 (hereinafter referred to as "other information"), 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 statement 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



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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements.

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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
 - 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.

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- 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 did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 32(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes 11 to financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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)



Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN : 22121513AIKMQU8287)

Place: Mumbai
Date: May 4, 2022

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 CLIMATECH LIMITED** ("the Company") as of March 31, 2022, in conjunction with our audit of the 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 issued by the ICAI 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.

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 March 31,2022, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 22121513AIKMQU8287)

Place: Mumbai
Date: May 4, 2022

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)

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In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress and relevant details of right of use assets.

B. The Company has maintained proper records showing full particulars of intangible (including intangible assets under development).
 - (b) The Company has a program of verification of property, plant and equipment, right-of-use assets and capital work-in-progress, so to cover all the items once every 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, right-of-use assets were due for verification during the year and 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) Based on the examination of the registered title deed and other records provided to us, we report that, the title deed of all the immovable property, (other than immovable properties where the Company is the lessee and the lease agreement are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
 - (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
 - (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
 - (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
 - (vi) The maintenance of cost records has not been specified for the activities of the Company 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) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Labour welfare fund, Tax deducted at source, Tax collected at source and Provident fund dues.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been Deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiaries or joint ventures or associate companies during the year hence, reporting on clause (ix)(f) of the Order is not applicable.
- (x)
- (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (c) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



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- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) Considering the size and nature of operations provisions of section 138 of the Companies Act, 2013 are not applicable to the company. Hence, reporting under clause (xiv)(a) and (b) of the Order is not applicable.
- (xv) The Company has entered into non-cash transactions with its directors and persons connected with them after obtaining prior approval of shareholders in the general meeting as given below:

Date of Transaction	Particulars Of transaction	Name of the person	Relationship	Value of the Asset	Date of Member's Approval
June 25, 2021	Issuance of shares	Blue Star Limited	Holding Company	Rs. 2,360 Lakhs	June 14, 2021

- (xvi)
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company is incorporated in the current year and has incurred cash losses amounting to Rs. 162.20 Lakhs in the financial year covered by our audit.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Mehul Parekh
Partner
(Membership no: 121513)
(UDIN: 22121513AIKMQU8287)

Place: Mumbai
Dated: May 4, 2022

BLUE STAR CLIMATECH LIMITED
Balance Sheet as at March 31, 2022

Particulars	Notes	As at
		31st March, 2022
		₹ Lakhs
A ASSETS		
1. Non-Current Assets		
Property plant and equipment	4	1,919.06
Capital work-in-progress	4	3,553.96
Intangible assets under development	4	10.00
Right-of-use assets	5	397.93
Financial assets		
- Other financial assets	6	5.70
Other non-current assets	8	3,273.10
Total Non-Current Assets		9,159.75
2. Current Assets		
Financial assets		
- Cash and cash equivalents	7	516.53
Other current assets	8	495.90
Total Current Assets		1,012.43
Total Assets		10,172.18
B EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	9	2,660.00
Other equity	10	(216.23)
Total Equity		2,443.77
2. Non-Current Liabilities		
Financial liabilities		
- Borrowings	11	6,856.95
Total - Non-Current Liabilities		6,856.95
3. Current Liabilities		
Financial liabilities		
- Borrowings	11	500.00
- Trade payables		
a. Total outstanding dues of micro enterprises and small enterprises	12	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	12	171.88
- Other financial liabilities	13	0.94
Provisions	14	6.53
Income tax liabilities		-
Other current liabilities	15	192.11
Total - Current Liabilities		871.46
Total Liabilities		7,728.41
TOTAL - EQUITY AND LIABILITIES		10,172.18

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

1 to 33

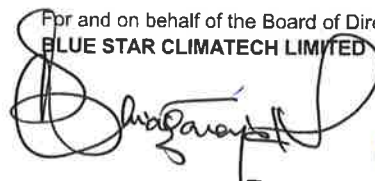
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner
Membership No. 121513

Mumbai: May 04, 2022

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED



B. Thiagarajan
Director
(DIN: 01790498)



Vir S. Advani
Director
(DIN: 01571278)


Neha Roy
Company Secretary



BLUE STAR CLIMATECH LIMITED
Statement of Profit and Loss for the period ended March 31, 2022

Particulars	Notes	For the period ended
		31st March, 2022
		₹ Lakhs
Revenue from operations		-
Other income	16	3.32
Total Income (I)		3.32
Expenses		
Employee benefits expense	17	74.38
Depreciation and amortization expense	18	53.63
Finance costs	19	7.88
Other expenses	20	83.66
Total Expenses (II)		219.55
Loss before tax (I-II)		(216.23)
Tax expense		
i) Current tax		-
ii) Deferred tax		-
Total tax expense		-
Net Loss after Tax		(216.23)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gains/(losses) on defined benefit plans		-
Income tax effect		-
Other comprehensive income for the period		-
Total comprehensive income for the period		(216.23)
Earnings per share	21	
Basic (in ₹)		(0.81)
Diluted (in ₹)		(0.81)

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

1 to 33

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Mehul Parekh
Partner
Membership No. 121513

Mumbai: May 04, 2022

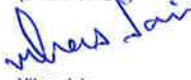
For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED

B. Thiagarajan
Director
(DIN: 01790498)

Vir S. Advani
Director
(DIN: 01571278)


Neha Roy
Company Secretary


Vikas Jain
Chief Financial Officer



BLUE STAR CLIMATECH LIMITED
Cash Flow Statement for the period ended 31st March, 2022

Particulars	For the period
	ended 31st March, 2022
	₹ Lakhs
CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(216.23)
Adjustments to reconcile loss before tax to net cash flows:	
Depreciation / amortisation expenses	53.63
Finance cost	7.88
Interest income	(3.32)
Net loss on financial instruments measured at fair value through profit & loss (FVTPL)	0.01
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(158.03)
Adjustments for:	
(Increase)/decrease in other assets	(501.60)
Increase/(decrease) in trade payables	171.87
Increase/(decrease) in other liabilities	193.05
Cash used in operations	(288.18)
Direct taxes paid (net of refunds)	-
Net cash flow used in operating activities (A)	(288.18)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property plant and equipments, including Capital work-in-progress and capital advances	(6,747.41)
Interest received	3.32
Net cash flow used in investing activities (B)	(6,744.09)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long term borrowings	6,856.95
Inter corporate deposit received from Parent Company	500.00
Issue of equity shares	300.00
Interest and bank charges	(108.14)
Net cash flow from financing activities (C)	7,548.81
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	516.54
Cash and cash equivalents at the beginning of the period	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	516.54

The accompanying notes are an integral part of the financial statements. 1 to 33

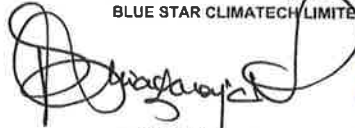
In terms of our report attached
For Deloitte Haskins & Sells LLP



Mehul Parekh
Partner
Membership No. 121513

Mumbai: May 04, 2022

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED



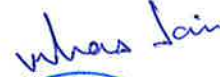
B. Thiagarajan
Director
(DIN: 01790498)



Vir S. Advani
Director
(DIN: 01571278)



Neha Roy
Company Secretary





BLUE STAR CLIMATECH LIMITED
Statement of Changes in Equity for the period ended March 31, 2022

(A) **Equity Share Capital**
for the period ended March 31, 2022

	₹ Lakhs			
	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance as at March 31, 2022
Balance as at April 1, 2021	-	-	2,660.00	2,660.00

(B) **Other Equity**
for the period ended March 31, 2022

	₹ Lakhs	
Particulars	Retained Earning (refer note 10)	Total other equity (refer note 10)
Balance as at April 1, 2021	-	-
Loss for the period	(216.23)	(216.23)
Other Comprehensive Income for the period (net of tax)	-	-
Total comprehensive loss for the period	(216.23)	(216.23)
Balance as at March 31, 2022	(216.23)	(216.23)

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


1 to 33

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner
Membership No. 121513

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED



B. Thiagarajan
Director
(DIN: 01790498)



Vir S. Advani
Director
(DIN: 01571278)



Neha Roy
Company Secretary




Mumbai: May 04, 2022

BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

1 CORPORATE INFORMATION

Blue Star Climatech Limited ("the Company") is a public company incorporated on 17th May, 2021, to carry on the business as manufacturer and dealer in all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products. The registered office of the company is located at Kasturi Buildings, Jamshedji Tata Road, Mohan T Advani Chowk, Mumbai – 400020.

The financial statements of the Company were approved by its Board of Directors on May 04, 2022.

2 STATEMENT OF COMPLIANCE

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and presentation

The financial statements have been prepared on a 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 judgments 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 years presented. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 20.

(c) Revenue recognition

i. Dividend and Interest income:

Dividend income is accounted for when declared and the right to receive the same is established. Interest income is recognized using the effective interest method.

(d) Employee benefits

Short term benefits:

Salaries, wages, short-term compensated absences, and other short-term benefits, accruing to employees are recognized 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 recognized as an expense when employees have rendered the service entitling them to the contribution.

Defined benefit 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.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

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 profit or loss;
- ii. net interest on the net liability or asset - recognized in profit or loss;
- iii. re-measurement of the net liability or asset - recognized in other comprehensive income

(e) Leases

As a lessee

At the 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 recognizes 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 include the option 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 amortized 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 re-measured 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 the exemption provided under Ind AS 116 for short-term leases and leases of low-value assets, hence the lease payments associated with those leases are treated as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in the statement of profit and loss on a straight-line basis over the lease term.

(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 date of the transaction. 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 recognized in profit or loss.

Foreign currency denominated non-monetary assets and liabilities that are measured at historical cost are not retranslated.

(g) Taxes

Current and Deferred Taxes are measured at the tax rates that are expected to apply in the year when the asset is realized 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 recognized amounts.

ii. Deferred tax

Deferred tax is recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

Since the commercial activities have not yet commenced, the normal tax computation is not applicable and the loss/ unabsorbed depreciation arising prior to the date of commercial production is not allowed to be carried forward and set-off.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

(i) Property, plant and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses.

Costs comprise of costs incurred to bring the assets to their location and working condition up to the date the assets are put to their intended use.

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. Leasehold land is depreciated on a straight line basis over the period of the lease. All other assets are depreciated to their residual values on a 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)
Leasehold Improvements	30

Useful lives of plant and machinery are higher than those indicated in Schedule II to the Companies Act, 2013 based on management estimate.

(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..

Nature of intangible asset	Useful life
Software	6 years
Technical know how	6 years



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

(k) Impairment of non-financial assets

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. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

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 recognized in profit or loss.

(n) 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 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 that are unrestricted for withdrawal and usage.

For the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Financial assets at amortised cost

Financial assets are subsequently measured at amortized 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 profit or loss

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.

Investment in subsidiaries and joint ventures

The Company accounts for its investments in subsidiaries and joint ventures at cost.

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.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

Other financial liabilities

Other financial liabilities (including borrowings, financial guarantee contracts and trade, and other payables) are after initial recognition, measured at amortized cost using the effective interest (EIR) method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net off direct issue costs.

(l) Provisions and contingencies

Provisions

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognized 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.

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 will be required to settle the obligation 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 not recognized in the financial statements. However, where an inflow of economic benefits is probable, the Company discloses the same in the financial statements

(m) Earnings per share

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

Basic earnings per share are calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of common and dilutive shares outstanding during the year including share-based payments, except where the result would be anti-dilutive.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest on Borrowing is calculated using Effective Interest Rate (EIR) method and is recognised in profit or loss.



BLUE STAR CLIMATECH LIMITED
Notes to Financial Statements for the period ended March 31, 2022
4 PROPERTY PLANT & EQUIPMENT

Particulars	₹ Lakhs	
	Leasahold improvements	Total
Cost		
At April 1, 2021	-	-
Acquisition through business combination	1,958.80	1,958.80
Additions	10.62	10.62
Disposals/Transfers	-	-
At March 31, 2022	1,969.42	1,969.42
Accumulated Depreciation		
At April 1, 2021	-	-
Disposals/Transfers	-	-
Provided during the year	50.36	50.36
At March 31, 2022	50.36	50.36
Net Book Value		
At March 31, 2022	1,919.06	1,919.06
At March 31, 2021	-	-

Particulars	₹ Lakhs		
	Less than 1 year	1-2 years	2-3 years
Ageing of Capital work in progress			
As at March 31, 2022			
Projects in progress	3,553.96	-	-
Total work in progress	3,553.96	-	-

Particulars	₹ Lakhs		
	Less than 1 year	1-2 years	2-3 years
Ageing of Intangible under development			
As at March 31, 2022			
Projects in progress	10.00	-	-
Total intangible under development	10.00	-	-



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

5. RIGHT OF USE ASSETS

₹ Lakhs

Particulars	Land - leasehold	Total
Cost		
At April 1, 2021	-	-
Additions	401.20	401.20
Disposals	-	-
At March 31, 2022	401.20	401.20
Accumulated Amortisation		
At April 1, 2021	-	-
Disposals/Transfers	-	-
Provided during the year	3.27	3.27
At March 31, 2022	3.27	3.27
Net Book Value		
At March 31, 2022	397.93	397.93



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

6. Other Financial Assets

Particulars	Non-current
	As at
	31st March, 2022
	₹ Lakhs
Security deposits, considered good	5.70
Total other financial assets	5.70



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

7. Cash and cash equivalents

Particulars	As at
	31st March, 2022
	₹ Lakhs
Cash and cash equivalents	
<i>Balances with banks:</i>	
– In current accounts	516.53
Total cash and cash equivalents	516.53

8. Other Assets

Particulars	Non-current	Current
	As at	As at
	31st March, 2022	31st March, 2022
	₹ Lakhs	₹ Lakhs
Capital advances	3,273.10	-
Balances with statutory authorities	-	68.91
Advance to suppliers	-	426.99
Total other assets	3,273.10	495.90



BLUE STAR CLIMATECH LIMITED
Notes to Financial Statements for the period ended March 31, 2022

9 Equity share capital

Authorised share capital	7.8% cumulative convertible preference shares of ₹ 100 each		Equity shares of ₹ 10 each	
	No.	₹ Lakhs	No.	₹ Lakhs
At March 31, 2021	-	-	-	-
Increase/(Decrease) during the year	2,00,000	200.00	2,66,00,000	2,660.00
At March 31, 2022	2,00,000	200.00	2,66,00,000	2,660.00

Terms/Rights attached to Equity Shares

The Company has one class of Equity Shares having par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

Terms/Rights attached to 7.8 % cumulative convertible preference shares

Each convertible preference share is convertible at the option of the shareholders into Equity 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.

Issued share capital

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

	No.	₹ Lakhs
At March 31, 2021	-	-
Issue of Share Capital	2,66,00,000	2,660.00
At March 31, 2022	2,66,00,000	2,660.00

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

Name of the shareholder	As at March 31, 2022	
	Numbers	% holding in the class
Blue Star Limited	2,65,99,994	99.99998%



BLUE STAR CLIMATECH LIMITED
Notes to Financial Statements for the period ended March 31, 2022

Shareholding pattern of promoters and changes in holding during the year
 Share held by promoters at the end of the year

Name of Promoters	As at March 31, 2022		
	Numbers of shares	% of total shares	% Changes during the year
Blue Star Limited	Promoter	2,65,99,994	99.99998%
			-

10 OTHER EQUITY

Retained earnings - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013. Thus the amounts reported above are not distributable in entirety.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

11 BORROWINGS

Particulars	As at 31st March, 2022
	₹ Lakhs
At amortised cost	
<u>Non-Current Borrowings</u>	
Term loan - Secured (Note a)	6,856.95
Less : Current maturities of long term debt	-
Total Non-Current Borrowings	6,856.95
<u>Short Term Borrowings</u>	
Unsecured	
Inter corporate deposit received from a Holding Company (Related party - Refer note 21)	500.00
Total Current Borrowings	500.00
Aggregate secured loans	6,856.95
Aggregate unsecured loans	500.00
Total Borrowings	7,356.95

- Secured term loan availed by the Company for capital expenditure funding is payable in twenty equated quarterly instalments carrying interest rate in the range of 5.35% to 6%
- Company has used the borrowings for capital expenditure.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- The Company has not been declared as wilful defaulter by any bank, financial institutions or other lender.
- The company has not received any fund from any person or entity, including foreign entities with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



BLUE STAR CLIMATECH LIMITED
Notes to Financial Statements for the period ended March 31, 2022
12 Trade Payables

	31st March, 2022		As at March 31, 2022					Total
	₹ Lakhs		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	171.88							
Total Payable	171.88							
Particulars								₹ Lakhs
Undisputed								
Dues to micro enterprises and small enterprises								
Dues of creditors other than micro and small enterprises			30.19	141.69	-	-	-	171.88
Disputed								
Dues to micro enterprises and small enterprises								
Dues of creditors other than micro and small enterprises								
Total payables	30.19		30.19	141.69	-	-	-	171.88



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

13 OTHER FINANCIAL LIABILITIES

Particulars	Current
	As at 31st March, 2022
	₹ Lakhs
Financial liabilities at fair value through profit or loss Derivatives not designated as hedges Foreign exchange forward contracts	0.94
Total other financial liabilities	0.94

14 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022
	₹ Lakhs
	Dues to statutory bodies
Payable to group company	160.74
Total other liabilities	192.73



BLUE STAR CLIMATECH LIMITED

Notes to Standalone Financial Statements for the period March 31, 2022

15 PROVISIONS

Particulars	Current
	As at 31st March, 2022
	₹ Lakhs
Provision for employee benefits	
Provision for gratuity (refer note 25)	4.25
Compensated absences	2.28
Total	6.53



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

16. OTHER INCOME

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
Interest income on - Bank deposits	3.32
Total other income	3.32



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

17. EMPLOYEE BENEFITS EXPENSE

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
Salaries, wages and bonus	68.43
Contribution to provident and other funds	0.87
Gratuity expense (refer note 23)	4.25
Staff welfare expenses	0.83
Total employee benefits expense	74.38

18. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
Depreciation on tangible assets (refer note 4)	50.36
Depreciation on right of use (refer note 5)	3.27
Total depreciation and amortization expense	53.63



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

19. Finance costs

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
Bank charges	7.88
Total finance costs	7.88

20. OTHER EXPENSE

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
Repairs and maintenance	
- Buildings	9.00
- Others	1.88
Rates and taxes	7.44
Legal and professional fees	11.33
Travelling and conveyance	2.73
Printing and stationery	0.17
Payment to auditors (refer details a below)	12.00
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	0.96
Share issue expenses	31.87
Miscellaneous expenses	6.28
Total other expenses	83.66

A. Payment to auditors

Particulars	For the period ended 31st March, 2022
	₹ Lakhs
As auditor:	
Audit fee	8.00
Limited review	3.00
Tax Audit	1.00
	12.00



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

21 EARNING PER SHARES (EPS)

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

Particulars	31st March, 2022	
	₹ Lakhs	
Loss attributable to equity holders of the Company		(216.23)
Weighted average number of Equity shares		266.00
Basic and Diluted Earning Per Share in rupees (Face Value - ₹ 2 per share) (in ₹)		(0.81)

* The weighted average number of shares takes into account the weighted average effect of changes in equity share transactions during the year.

22 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.

Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

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 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.

Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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.

COVID 19 - Recoverability of assets

The Company continues to monitor the economic effects of COVID-19 on its business. Based on the current evaluation by the management, the carrying amounts of the assets are considered recoverable.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

23 DISCLOSURE FOR RELATED PARTY

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, Director
Mr. B Thiagarajan, Director
Mr. Vikas Jain, Chief Financial Officer
Mr. Neha Roy, Company Secretary

Transactions during the year with Related Parties are as under:

Name of Related party	31st March, 2022	
	Transactions	Balance O/S DR/(CR)
Blue Star Limited		159.02
Assets		
Investment in equity shares	2,660.00	
Transfer of Leasehold land	401.00	
Transfer of Infrastructure Development Rights	1,959.00	
Liabilities		
Reimbursement of expenses	132.00	
Inter Corporate Deposit	500.00	
Expenses		
Reimbursement of expenses - salary	39.00	
Corporate Guarantee charges	7.15	
Interest on ICD	0.15	

24 COMMITMENTS**Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided:-
At March 31, 2022, Company had commitments (net of advances) of ₹ 9,816.72 lakhs



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

25 EMPLOYEE BENEFITS DISCLOSURE**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 longevity, 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 valuable 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 approved 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 recognised 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 recognised in other comprehensive income. The effect of any plan amendments are recognised 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 on a suitable mark-up over the benchmark Government securities of similar maturities.

Change in present value of defined benefit obligation

Particulars	Gratuity	
	31st March, 2022	
	₹ Lakhs	
Defined benefit obligation at the beginning of the year	-	
Current service cost	0.69	
Acquisition adjustment	3.56	
Defined benefit obligation at the end of the year	4.25	

Particulars	Gratuity	
	31st March, 2022	
	₹ Lakhs	
Components of defined benefit cost recognized in Profit or Loss		
Current service cost	0.69	
Acquisition adjustment	3.56	
Defined benefit cost recognized in profit or loss	4.25	



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

Net liability / (assets) recognised in the balance sheet	
Particulars	Gratuity
	31st March, 2022
	₹ Lakhs
Present value of defined benefit obligation	4.25
Net liability / (assets)	4.25

The principal assumptions used in determining Gratuity and Additional Gratuity for the Company's plan are as shown below:

Actuarial Assumptions	Gratuity
	31st March, 2022
Discount rate	6.60%
Disability rate	5% of Mortality rate
Normal retirement age	60 Years
Mortality rate	100% of IALM 2012-14
Attrition Rate	14% throughout

The present value of defined benefit obligation after change in assumptions are as under :

Assumptions	Gratuity
	31st March, 2022
Decrease in discount Rate (-/+ 0.5%)	4.39
Increase in discount Rate (-/+ 0.5%)	4.11
Decrease in salary Growth Rate (-/+ 0.5%)	4.11
Increase in salary Growth Rate (-/+ 0.5%)	4.39
Decrease in attrition Rate (-/+ 1% of attrition rates)	4.44
Increase in attrition Rate (-/+ 1% of attrition rates)	4.11
Decrease in Mortality Rate (-/+ 10% of mortality rates)	4.25
Increase in Mortality Rate (-/+ 10% of mortality rates)	4.25

The sensitivity analysis 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 2021-22.

The average duration of the defined benefit plan obligation at the end of the reporting year 2021-22 is 7 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, 2022 is ₹ 0.87 lakhs has been recognised

in the statement of profit or loss under the head employee benefit expense (Refer note 15).

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.



BLUE STAR CLIMATECH LIMITED
Notes to Financial Statements for the period ended March 31, 2022

26 Financial Risk Mgt Objectives & Policies

Financial risk management objectives and policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing Company's capital expenditure requirements. 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, Risk Committee and the Audit Committee. 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.

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, 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 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.

27 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.

The Company's adjusted net debt and equity position is as follows:

Particulars	As at 31st March, 2022
Borrowings	6856.95
Less: Cash and cash equivalents	(516.53)
Net Debt	6340.42
Equity	2443.77
Gearing Ratio	259.45%

Net Debt = Borrowings - Cash and cash equivalents

Gearing ratio = (Net Debt / Equity) x 100

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

During the year the Company has not made any investment or provided any loan.



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

29 DERIVATIVE INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE

The Company has a 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 Profit or Loss.

Derivative Instruments: Forward contract outstanding as at balance sheet date

Foreign Currency	2021-2022	
	Amount in Foreign Currency (in lakhs)	₹ Lakhs (Notional Value)
Particulars of Derivatives		
Forward cover to Purchase USD		
Hedge of underlying payables - USD		
- Other Payables (commitments)	11.80	894.44

30 FINANCIAL RATIOS

Particulars	As at 31st March, 2022
Current ratio	1.16
Debt-Equity ratio	3.01
Return on Equity Ratio (ROE)	(0.09)
Return on Capital employed	(0.02)

Current Ratio = Current Assets / Current Liabilities

Debt / Equity Ratio = Total Debt (Non-current borrowings + current borrowings) / Equity

Return on Equity Ratio = Net profit after tax / shareholders equity X 100

Return on capital employed (%) = (Profit before tax + Finance charges) / Capital employed X 100

31 Code on social security

The Code on Social Security, 2020 ('the Code') received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective



BLUE STAR CLIMATECH LIMITED

Notes to Financial Statements for the period ended March 31, 2022

32 Other statutory information

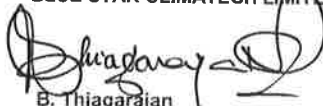
- (i) The Company neither holds any benami property nor any proceedings have been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (v) The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vi) The Company have not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



33 Previous Year Comparatives

Figures for the previous year have not been provided as Company came into existence since May 2021.

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED



B. Thiagarajan
Director
(DIN : 01790498)



Neha Roy
Company Secretary



Vir S Advani
Director
(DIN : 01571278)



Vikas Jain
Chief Financial Officer

