

Blue Star Engineering & Electronics Limited

Financial Statement for the year ended March 31, 2022

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 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 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 (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



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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.
- 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 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.
- iv.(a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 4(a) 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 Note 10 to the 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 person or entity 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 22121513AIKMXN2529)

Place: Mumbai
Date: May 4, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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(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 March 31, 2022 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 ("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

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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 22121513AIKMXN2529)

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, capital work-in-progress & investment properties.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress & investment properties, 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, all investment properties 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 deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment, capital work-in progress and investment properties) 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 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)

- (a) The inventories except for (goods-in-transit) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital facility in excess of Rs. 5 crore, in aggregate, at points of time during the year from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information) filed by the company with such banks are in agreement with the unaudited books of account of the Company



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of the respective quarters. The company has not been sanctioned any working capital facility from financial institutions.

(iii) The Company has granted unsecured loans , to a company during the year, in respect of which:

(a) The Company has provided unsecured loans in the nature of loans, during the year and details of which are given below:

Rs. In Lakhs	
Particulars	Loans
Aggregate amount granted/ provided during the year	
- Parent company	16,000
Balance outstanding as at balance sheet date in respect of above cases	
- Parent company	16,000

The Company has not provided any guarantee or security to any other entity during the year.

(b) In our opinion, the terms and conditions of the grant of all the above-mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted loans with stipulated schedule of repayment of principal and payment of interest and are also repayable on demand. The Company has not granted any loans in the nature of loans without specifying any terms or period of repayment during the year.

(g) Amount (Rs. In Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	-	-	16,000
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	-	-	16,000
Percentage of loans/advances in nature of loans to the total loans	-	-	100%



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- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as 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 been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Labour welfare fund, Tax deduction at sources, Professional Tax, Goods and Service tax, Employees' State Insurance Scheme, 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. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount involved (Rs. in Lakh)	Amount unpaid (Rs. in Lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Maharashtra Value Added Tax, 2002	Value Added Taxes, Interest, and penalty on the same.	122.16	99.64	FY 2013-14	Appellate Tribunal

- (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 taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (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.



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- (e) The Company did 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 did not have any Subsidiary or associate or joint venture during the year and 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.
 - (b) 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.
 - (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)
 - (a) In our opinion the Company has an adequate internal audit system commensurate with the size of operation and nature of its business.
 - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (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 has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



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- (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.
- (xx) According to the information and explanation given to us, in respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the said financial year in compliance with second proviso to subsection (5) of section 135 of the said Act.

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the current financial year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

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



Mehul Parekh
Partner
(Membership no: 121513)
(UDIN 22121513AIKMXN2529)

Place: Mumbai
Dated: May 4, 2022

Blue Star Engineering & Electronics Limited
Balance Sheet as at March 31, 2022

	Notes	As at 31st March, 2022 ₹ Lakhs	As at 31st March, 2021 ₹ Lakhs
A ASSETS			
1. Non-Current Assets			
Property, plant & equipment	3(a)	710.65	757.19
Capital work in progress	3(d)	25.12	-
Investment properties	3(b)	3,769.64	4,126.33
Intangible assets	3(c)	5.18	8.29
Financial asset			
-Loans	4(a)	28.26	82.15
-Others financial assets	4(b)	-	37.03
Income tax assets		-	87.42
Deferred tax assets (Net)	15	343.06	335.14
Other non-current assets	8	1,803.95	140.72
Total non-current assets		6,685.86	5,574.27
2. Current assets			
Inventories	5	1,744.70	1,471.78
Financial assets			
-Loans	4(a)	16,035.96	13,034.05
-Trade receivables	6	5,121.56	2,661.24
-Cash & cash equivalents	7	1,920.95	560.86
-Other financial assets	4(b)	103.17	91.72
Other current assets	8	3,584.08	2,407.17
Total current assets		28,510.42	20,206.61
Total Assets		35,196.28	25,780.88
B EQUITY AND LIABILITIES			
1. Equity			
Share capital	9(a)	1,058.50	1,058.50
Other equity	9(b)	17,260.42	14,122.29
Total equity		18,318.92	15,180.79
2. Non-current liabilities			
Financial liabilities			
-Other financial liabilities	12	301.94	-
Long term provisions	14	110.87	2.62
Other non current liabilities	13	1,240.49	-
Total - non-current liabilities		1,653.30	2.62
3. Current liabilities			
Financial liabilities			
-Trade payables			
a. Dues of micro enterprises and small enterprises	11	17.76	0.88
b. Dues of creditors other than micro enterprises and small enterprises	11	6,385.14	4,295.10
-Other financial liabilities	12	-	288.06
Provisions	14	573.29	514.42
Income tax liabilities		722.73	-
Other current liabilities	13	7,525.14	5,521.01
Total - current liabilities		15,224.06	10,597.47
Total liabilities		16,877.36	10,600.09
Total - equity and liabilities		35,196.28	25,780.88

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

1 to 40

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

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



Mehul Parekh
Partner





Vir S Advani
Chairman



Prashant Kalliath
CFO



Neeraj Basur
Director



Sivakumar Ramani
CFO



Yogesh Joshi
Company Secretary

Place : Mumbai
4th May 2022

Place : Mumbai
27th April 2022



Blue Star Engineering & Electronics Limited
Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	For the year ended	
		31st March, 2022 ₹ Lakhs	31st March, 2021 ₹ Lakhs
Revenue from operations	16	26,593.80	18,173.95
Other Income	17	1,120.67	873.23
Total revenue (I)		27,714.47	19,047.18
Expenses			
Cost of material consumed and Project cost	18	3,995.76	2,266.85
Purchase of stock-in-trade	18	14,529.76	8,427.24
Changes in inventories	18	(272.92)	544.91
Employee benefits expense	19	3,175.84	2,139.82
Depreciation and amortization expense	20	436.67	482.18
Finance costs	21	48.95	96.01
Other expenses	22	1,418.38	1,384.89
Total expenses (II)		23,332.44	15,341.90
Profit before tax (I) - (II)		4,382.03	3,705.28
Tax Expense			
i) Current tax	15	1,238.73	913.73
ii) Deferred tax	15	(8.38)	492.01
Total tax expense (III)		1,230.35	1,405.74
Profit for the year (IV)		3,151.68	2,299.54
Other comprehensive (loss) / Income			
Remeasurements of the defined benefit plans		(13.55)	62.74
Other comprehensive (loss) / income for the year		(13.55)	62.74
Total comprehensive income for the year, net of tax		3,138.13	2,362.28
Earnings per equity share of Rs. 1 each			
Basic (in Rs)		5.95	4.34
Diluted (in Rs)		5.95	4.34

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

1 to 40

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



Mehul Parekh
Partner



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
4th May 2022

Place : Mumbai
27th April 2022



Blue Star Engineering & Electronics Limited
Cash Flow Statement for the year ended 31st March, 2022

	As at 31st March, 2022 ₹ Lakhs	As at 31st March, 2021 ₹ Lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,382.03	3,705.28
	4,382.03	3,705.28
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/ amortization	436.67	482.18
Loss/ (profit) on sale of fixed assets	1.52	17.17
Bad debts / advances written off	25.68	499.91
Provision for doubtful debts and advances	66.36	250.21
Reversal of provision for doubtful debts and advances	-	(499.91)
Unrealized foreign exchange loss / (gain)	(11.31)	(14.07)
Dividend on mutual fund	(7.21)	(5.18)
Liabilities written back	(372.75)	(238.83)
Interest expense	48.95	96.01
Interest income	(729.41)	(531.06)
Other income	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,840.53	3,761.70
Increase/(decrease) in working capital :		
Trade payables	2,333.19	324.71
Long-term / short-term provisions	153.58	69.56
Other current liabilities	3,280.28	(395.27)
Trade receivables	(2,394.38)	561.34
Inventories	(272.92)	544.91
Long-term / short-term loans and advances	77.57	1.96
Other current / non-current assets	(2,857.43)	(170.80)
Other current / non-current Financial Assets	-	(0.71)
Cash generated from / (used in) operations	4,160.42	4,697.40
Direct taxes paid (net of refunds)	(428.13)	306.02
Net cash flow from/ (used in) operating activities (A)	3,732.29	5,003.42
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment, including CWIP and capital advances	(39.68)	(20.05)
Dividend on Mutual Fund	7.21	5.18
Interest income	729.41	531.06
Loan to related party (Inter Corporate Deposit)	(3,000.00)	(5,500.00)
Net cash flow from/ (used In) Investing activities (B)	(2,303.06)	(4,983.81)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (repayment) from short-borrowings, net	-	(1,569.17)
Interest paid	(48.95)	(96.01)
Net cash flow from/ (used In) In financing activities (C)	(48.95)	(1,665.18)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	1,380.29	(1,645.57)
Cash and cash equivalents at the beginning of the year	540.66	2,186.23
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,920.95	540.66
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
- On current accounts	1,905.64	524.29
- Deposits with original maturity of less than 3 months	10.41	7.12
Cash on hand	4.90	7.06
Cash and bank balance not available for immediate use	-	2.19
TOTAL CASH AND CASH EQUIVALENTS	1,920.95	540.66

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

1 to 40

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



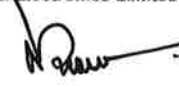
Mehul Parekh
Partner



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



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Neeraj Basur
Director



Vin Kallath
CEO



Sivakumar Ramani
CFO



Yogesh Joshi
Company Secretary

Place : Mumbai
4th May 2022

Place : Mumbai
27th April 2022



Blue Star Engineering & Electronics Limited
Statement of Changes in Equity for the year ended March 31, 2022

(A) Equity Share Capital

₹ Lakhs

For the year ended March 31, 2022

Balance as at April 1, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
1,058.50	-	1,058.50

For the year ended March 31, 2021

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

(B) Other Equity

₹ Lakhs

For the year ended March 31, 2022

Particulars	Reserve & Surplus			Total Equity
	Share Premium (refer note 9(b))	Capital Reserves	Retained Earning	
For the year ended March 31, 2022				
As at April 1, 2021	2,088.87	7,762.48	4,270.94	14,122.29
Profit for the year	-	-	3,151.68	3,151.68
Other comprehensive income	-	-	(13.55)	(13.55)
As at March 31, 2022	2,088.87	7,762.48	7,409.07	17,260.42

For the year ended March 31, 2021

Particulars	Reserve & Surplus			Total Equity
	Share Premium (refer note 9(b))	Capital Reserves	Retained Earning	
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

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

1 to 40

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



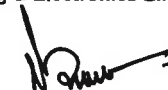
Mehul Parekh
Partner



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



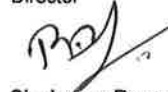
Vir S Advani
Chairman



Neeraj Basur
Director



Prof. Kalliat
CEO



Sivakumar Ramani
CFO



Yogesh Joshi
Company Secretary

Place : Mumbai
4th May 2022

Place : Mumbai
27th April 2022



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 have been approved by its Board of Directors on 27th April, 2022.

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 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. Interest on income tax refund is recognised as and when money is received.

v. Rental Income:

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

vi. Other income:

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

vii. 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 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 (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated 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

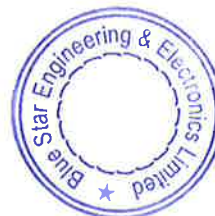
Income tax expense comprises current tax expense and the net change during the year, in the deferred tax asset or liability. Current and deferred taxes are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or in equity, in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

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.



ii. Deferred tax

Deferred income tax assets and liabilities are recognised 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.

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 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.

(h) Property, plant and equipment (PPE)

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

Costs comprise of all 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. 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 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 and 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.

(i) 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 over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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 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

(j) 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 disposal. Any gain or loss arising on disposal of investment properties is included in Statement of Profit and Loss.

(k) 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 statement of profit and loss.



(I) **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 and 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 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. Wherever the customer has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the customer are treated as the disputed amount.

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 statement Profit and 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 to repurchase in the near term. Whenever the vendor has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the vendor are treated as the disputed amount. Financial liabilities are designated upon initial recognition at fair value through statement Profit and Loss only if the criteria in Ind AS 109 are satisfied.

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 and 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.

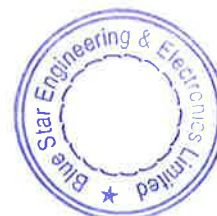
Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit or Loss depends 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.



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the period ended 31st March 2022

(m) 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.

The Company has Demo Inventory policy which requires to provide its potential customers with the demonstration of products in order to secure sale orders from the customers. The Demo inventory is amortised over the period of 5 years of estimated useful life of the inventory.

(n) 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 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 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

(o) 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".

(p) Operating cycle

Based on the nature of services provided by the Company and the normal time between providing the services and their realisation in cash or cash equivalents, the Company has determined its operating cycle as less than 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(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 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 is 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.

(r) Recent accounting pronouncements: -

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April, 2022.

(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 | Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

There are no impact of these amendments on the Company.



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

3(a) Property plant & equipment

Particulars	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Cost							
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
Disposals	-	(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
At April 1, 2021	1,194.05	93.74	0.20	23.50	105.23	4.65	1,421.37
Additions	-	23.93	-	-	8.54	-	32.47
Retirements	-	(1.02)	-	(2.78)	-	-	(3.80)
At March 31, 2022	1,194.05	116.65	0.20	20.72	113.77	4.65	1,450.04
Depreciation							
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
At April 1, 2021	511.16	60.30	0.12	17.63	71.22	3.75	664.18
Disposals	-	(0.41)	-	(1.86)	-	-	(2.27)
Provided during the year	59.31	4.81	0.01	1.92	11.42	0.01	77.48
At March 31, 2022	570.47	64.70	0.13	17.69	82.64	3.75	739.39
Net book value							
At March 31, 2022	623.58	51.95	0.07	3.03	31.13	0.89	710.65
At March 31, 2021	682.89	33.44	0.08	5.87	34.01	0.90	757.19



3(b) Investment properties

	₹ Lakhs
Cost	
At April 1, 2020	7,044.36
Additions	-
Disposals	-
At March 31, 2021	7,044.36
Additions	-
Disposals	-
At March 31, 2022	7,044.36
Depreciation	
At April 1, 2020	2,526.52
Additions	392.12
Disposals	-
At March 31, 2021	2,918.64
Additions	356.08
Disposals	-
At March 31, 2022	3,274.72
Net book value	
At March 31, 2022	3,769.64
At March 31, 2021	4,125.72
At April 1, 2020	4,517.84

Information regarding income & expenditure of investment property

	31st March, 2022	31st March, 2021
Rental income derived from investment property	383.42	329.29
Direct operating expenses (including repairs and maintenance) associated with rental income	(33.07)	(29.68)
Direct operating expenses (including repairs and maintenance) that did not generate	-	-
Profit arising from investment property before depreciation and indirect expenses	350.35	299.61
Less - Depreciation	(356.08)	(392.12)
Profit / (Loss) arising from investment property before indirect expenses	(5.73)	(92.51)

As at 31st March, 2022 and 31st March, 2021, the fair value of the property is ₹ 7,014.03 lakhs and ₹ 6,957.76 lakhs respectively. The valuation is based on fair value assessment done by accredited independent valuers. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. Valuation is based on fair value assessment done by registered valuer as defined under rule 2 of Companies (Register Valuers and Valuation), Rules 2017

All the title deed for immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the company.

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, 2022	31st March, 2021
Opening fair value	6,957.76	7,440.23
Add/(Less): Fair value difference	56.27	(482.47)
Closing fair value	7,014.03	6,957.76



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

3(c). Intangible assets

	Software
	₹ Lakhs
Cost	
At April 1, 2020	14.50
Additions during the year	-
At March 31, 2021	14.50
At April 1, 2021	14.50
Additions during the year	-
At March 31, 2022	14.50
Amortisation and impairment	
At April 1, 2020	4.58
Provided during the year	1.63
At March 31, 2021	6.21
At April 1, 2021	6.21
Provided during the year	3.11
At March 31, 2022	9.32
Net book value	
At March 31, 2022	5.18
At March 31, 2021	8.29
At April 1, 2020	9.92

3(d).Capital work in progress

₹ Lakhs

CWIP	Amount in CWIP				
	Less Than 1 year	1-2 years	2-3 Years	More Than 3 years	Total
At March 31, 2022					
Project in progress	25.12	-	-	-	25.12
At March 31, 2021					
Project in progress	-	-	-	-	-



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022
4. Financial assets

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

Particulars	Non-current		Current	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Loans to employees				
Inter-corporate deposits (refer note 26)	28.26	82.15	35.96	34.05
Total Loans	28.26	82.15	16,000.00	13,034.05

* Inter corporate deposit is placed with the parent company 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

Particulars	Non-current		Current	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Unsecured security deposit & earnest money deposit	-	36.32	133.67	122.22
Less: Allowance for doubtful deposit	-	-	(30.50)	(30.50)
Unsecured security deposit & earnest money deposit (Net Balance)	-	36.32	103.17	91.72
Non-current bank balances	-	0.71	-	-
Total other financial assets	-	37.03	103.17	91.72

5. Inventories

(Valued at lower of cost and net realisable value)

Particulars	31st March, 2022	31st March, 2021
Traded goods (includes in transit ₹37.87 lakhs (31st March, 2021: ₹ 211 lakhs))	1,373.05	1,031.70
Demo stock (net of amortisation)	371.65	440.08
	1,744.70	1,471.78

The above inventory value are net of provision made of ₹ 288 Lakh (31st March, 2021 ₹ 313 Lakh) for slow moving, obsolete and defective inventories.



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

6. Trade receivables

₹ Lakhs

	Current	
	31st March, 2022	31st March, 2021
Trade receivables considered good-unsecured	5,121.56	2,661.24
Trade receivables - credit impaired	1,316.38	1,250.95
	6,437.94	3,912.19
Less: Allowance for doubtful debts / Expected credit loss	1,316.38	1,250.95
Total trade receivables	5,121.56	2,661.24

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, 2022	31st March, 2021
Opening balances as on 1st April	1,250.95	1,495.48
Impairment loss recognised	65.43	255.40
Less: Allowances provided earlier written off as bad debts	-	(499.91)
Closing balances as on 31st March	1,316.38	1,250.95

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.



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

6a. Trade receivables
Trade receivables as on March 31, 2022

Remarks	Not due	Less than 6 Months	6 Month - 1 years	1-2 Years	2-3 Years	More than 3 Year	Grand Total
Undisputed							
Undisputed receivable - considered good	1,011.10	3,616.73	328.11	-	104.65	60.93	5,121.52
Undisputed trade receivable which have significant increase in credit risk	-	-	-	-	-	267.45	267.45
Undisputed receivable - credit impaired	-	9.78	7.43	27.06	82.70	911.96	1,038.93
Total of undisputed (A)	1,011.10	3,626.51	335.54	27.06	187.35	1,240.34	6,427.90
Disputed							
Disputed receivable - considered Good	-	-	-	-	-	-	-
Disputed trade receivable which have significant increase in credit risk	-	-	-	-	-	0.04	0.04
Disputed receivable - considered doubtful	-	-	-	-	0.19	9.81	10.00
Total of disputed (B)	-	-	-	-	0.19	9.85	10.04
Less: Allowance for doubtful debts / Expected credit loss	-	-	-	-	-	-	(1,316.38)
Grand Total (A+B)	1,011.10	3,626.51	335.54	27.06	187.54	1,250.18	5,121.56

Trade receivables as on March 31, 2021

Remarks	Not due	Less than 6 Months	6 Month - 1 years	1-2 Years	2-3 Years	More than 3 Year	Grand Total
Undisputed							
Undisputed receivable - considered good	903.54	1,236.50	142.78	215.19	55.24	98.96	2,652.21
Undisputed trade receivable which have significant increase in credit risk	-	-	-	-	-	187.80	187.80
Undisputed receivable - credit impaired	-	39.72	0.20	112.48	84.38	824.60	1,061.38
Total of undisputed (A)	903.54	1,276.22	142.98	327.67	139.62	1,111.36	3,901.39
Disputed							
Disputed receivable - considered good	-	-	1.99	-	6.00	1.04	9.03
Disputed trade receivable which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed receivable - considered doubtful	-	-	-	-	1.77	-	1.77
Total of disputed (B)	-	-	1.99	-	7.77	1.04	10.80
Less: Allowance for doubtful debts / Expected credit loss	-	-	-	-	-	-	(1,250.95)
Grand Total (A+B)	903.54	1,276.22	144.97	327.67	147.39	1,112.40	2,661.24



7. Cash and cash equivalents

₹ Lakhs

	31st March, 2022	31st March, 2021
Cash and cash equivalents		
<i>Balances with banks:</i>		
- On current accounts	1,905.64	524.29
- Deposits with original maturity of less than 3 months	10.41	7.12
Other bank balances		
Cash and bank balance not available for immediate use	4.90	2.19
Cash on hand	-	7.06
	1,920.95	540.66

8. Other assets

₹ Lakhs

	Non-current		Current	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Contract assets	-	-	44.70	66.76
Less: Impairment allowance	-	-	(9.34)	(17.44)
Net contract assets	-	-	35.36	49.32
Unbilled revenue (AMC)	-	-	227.48	210.61
Prepaid gratuity (refer note 25)	17.64	55.26	-	-
Capital advances	7.83	9.45	-	-
Balance with statutory authorities	68.65	76.01	547.50	472.09
Vendor advances	-	-	1,738.51	556.32
Prepaid expenses	1,709.83	-	968.22	1,111.25
Accrued income on loan	-	-	0.06	-
Others	-	-	66.95	7.58
	1,803.95	140.72	3,584.08	2,407.17

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

₹ Lakhs

	31st March, 2022	31st March, 2021
Opening balance as on 1st April	(17.44)	(19.14)
Allowance reversed during the year	8.10	1.70
Closing balance as on 31st March	(9.34)	(17.44)

Categorisation of financial assets carried at amortized cost

₹ Lakhs

Particulars	31st March, 2022	31st March, 2021
Trade receivables (refer note 6)	5,121.56	2,661.24
Cash & cash equivalents (refer note 7)	1,920.95	540.66
Loans (current & non current) (refer note 4a)	16,064.22	13,116.20
Total financial assets carried at amortized cost	23,106.73	16,318.10



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9(a) Share capital

Authorised share capital	31st March, 2022		31st March, 2021	
	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 & rights 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/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 and subscribed and paid up share capital

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

Particulars	Balance as at 31st March, 2022		Balance as at 31st March, 2021	
	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	5,29,26,052	1,068.50	5,29,26,052	1,068.50

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

Name of the shareholder	31st March, 2022		31st March, 2021	
	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%

Shareholding pattern of promoters and changes in holding during the year

Name of the shareholder	31st March, 2022		31st March, 2021		% Changes during the year
	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%	0%

9(b) Other Equity-Nature & purpose of Reserve

Securities premium – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares have been transferred to "Securities Premium Reserve". These reserves shall be used in accordance with the section 52 of the companies Act, 2013 as amended from time to time.

Capital reserve -The capital reserve recognised in the financial statements denote the excess of the Net Assets acquired over the amount of consideration transferred in business combination transactions. These reserves shall not be utilised for payment of dividend.

General reserve/ retained earnings - General reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

10. Borrowings

₹ Lakhs

	31st March, 2022	31st March, 2021
Current borrowings		
Cash credit / Bank overdrafts (secured)	-	-
Total current borrowings	-	-
Aggregate secured loans	-	-
Total	-	-

Cash Credit (Secured)

The cash credit is repayable on demand and carries interest @ 7.6 % to 9.80% secured against books debts & inventory of the Company. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the unaudited books of accounts.

The Company have not been declared as wilful defaulter by any bank, financial institutions or other lender.

11. Trade payables

₹ Lakhs

	31st March, 2022	31st March, 2021
Trade payables		
Dues of micro enterprises and small enterprises (refer below note)	17.76	0.88
Dues of other than micro enterprises and small enterprises	6,385.14	4,295.10
Total payable	6,402.90	4,295.98

Micro and small enterprises disclosure

Particulars	31st March, 2022	31st March, 2021
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	17.76	0.88
(ii) Interest due on above		
(b) Amount of interest paid by the buyer in terms of section 16 of the Act	0.24	-
(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	-	-



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

₹ Lakhs

Note : 11 (cont.)
Trade payables as on 31st March, 2022

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Acceptance	109.04	-	-	-	-	109.04
Undisputed	0.13	16.79	0.72	0.11	-	17.76
Dues to micro enterprises and small enterprises	4,442.71	1,537.97	33.62	35.87	225.93	6,276.10
Dues to creditors other than micro enterprises and small enterprises	4,442.84	1,554.76	34.34	35.98	225.93	6,293.86
Disputed	-	-	-	-	-	-
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total payables	4,551.88	1,554.76	34.34	35.98	225.93	6,402.90

Trade payables as on 31st March, 2021

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Acceptance	27.25	-	-	-	-	27.25
Undisputed	0.05	0.72	0.11	-	-	0.88
Dues to micro enterprises and small enterprises	2,316.13	1,566.56	72.03	33.19	279.94	4,267.85
Dues to creditors other than micro enterprises and small enterprises	2,316.18	1,567.28	72.14	33.19	279.94	4,268.73
Disputed	-	-	-	-	-	-
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total payables	2,343.43	1,567.28	72.14	33.19	279.94	4,295.98



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

12. Other financial liabilities

Particulars	Non-current		Current		₹ Lakhs
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	
Foreign exchange forward contracts	-	-	-	1.29	
Total other financial liabilities at fair value through profit or loss	-	-	-	1.29	
Financial liabilities at amortized cost					
Other deposits	301.94	-	-	264.77	
Total other financial liabilities at amortized cost	301.94	-	-	264.77	
Total other financial liabilities	301.94	-	-	266.06	

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 liabilities

Particulars	Non-Current		Current		₹ Lakhs
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	
Contract liabilities from contracts with customer	-	-	2,200.98	2,144.98	
Contract liabilities from AMC	1,240.49	-	1,612.52	1,313.03	
Advances from customers	-	-	2,872.88	1,650.86	
Dues to statutory bodies	-	-	467.41	127.43	
Others	-	-	371.35	284.71	
Total Other Liabilities	1,240.49	-	7,525.14	5,521.01	

Categorisation of financial liabilities :

Particulars	31st March, 2022	31st March, 2021	₹ Lakhs
At Fair Value			
Foreign exchange forward contracts	-	-	1.29
Total financial liabilities carried at Fair Value			1.29
At Amortised Cost			
Trade payables (refer note 11)	6,402.90	4,295.98	
Other financial liabilities (refer note 12)	301.94	266.06	
Total financial liabilities carried at amortized cost	6,704.84	4,562.04	



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

14. Provisions

Particulars	Non-Current		Current	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Provision for employee benefits				
Provision for compensated absences (refer note 25)	108.21	-	21.71	99.24
Provision for additional gratuity	2.66	2.62	-	-
	110.87	2.62	21.71	99.24
Other provisions				
Provision for warranties	-	-	458.44	327.15
Provision for foreseeable losses	-	-	93.14	88.03
	-	-	551.58	415.18
Total	110.87	2.62	573.29	514.42

Provision for warranties

Warranty is provided to the customer for a period of 12-60 months from the handing 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.

	31st March, 2022	31st March, 2021
Movement in provision for warranty		
At 1 April, 2021	327.15	347.51
Additional provision made during the year	240.00	185.14
Utilized during the year	(108.71)	(205.50)
At 31st March 2022	458.44	327.15

	31st March, 2022	31st March, 2021
Movement in provision for foreseeable losses		
At 1 April, 2021	88.03	-
Additional provision made during the year	5.11	88.03
Utilized during the year	-	-
At 31st March 2022	93.14	88.03



15. Income tax

The major components of income tax expense for the years ended 31st March, 2022 and 31st March, 2021 are:

	₹ Lakhs	
	For the year ended	
	31st March, 2022	31st March, 2021
Profit or loss Section		
Current Income tax:		
Current tax	1238.73	913.73
Total current income tax charge	1238.73	913.73
Deferred tax:		
Deferred tax credit/ charge recognised in the statement of profit and loss	(8.38)	492.01
Income tax expense reported in the statement of profit or loss	1,230.35	1,405.74

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021 :

	₹ Lakhs	
	For the year ended	
	31st March, 2022	31st March, 2021
Accounting profit	4,382.03	3,705.28
Other comprehensive income / (loss) before tax	(13.55)	62.74
At India's statutory Income tax rate of 25.168% (31st March, 2021: 25.168%)	4,368.48	3,768.02
Income tax expense at statutory rate	1,099.46	948.34
Disallowance on CSR & house property expense	10.43	79.68
Benefit of lower tax rate on account of certain income	19.85	266.07
Disallowance on depreciation of investment properties	100.61	111.65
At the effective income tax rate	1,230.35	1,405.74

Deferred tax

Deferred tax relates to the following

	₹ Lakhs	
	Balance Sheet	
	31st March, 2022	31st March, 2021
Provision for doubtful debts	306.52	315.14
Provision made disallowed and allowed only on payment basis	23.82	8.00
Difference between tax book and accounting books		
Others	23.03	30.00
Retention	(3.27)	(4.00)
Prepaid gratuity	(7.04)	(14.00)
Total	343.06	335.14



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

16. Revenue from operations

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Revenue from operations		
Sale of products	20,022.01	13,163.79
Sale of services	5,177.53	4,441.87
Contract revenue	1,007.56	239.00
Rental Income	383.42	329.29
Other operating revenue		
Sale of scrap	3.28	-
Total revenue from operations	26,593.80	18,173.95

17. Other income

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Net translation gain on monetary assets/liabilities	11.31	7.92
Interest Income		
- Inter-corporate deposits	651.12	516.83
- Income tax refund	76.53	90.24
- Interest received - Banks	1.27	-
- Others	0.48	14.23
Dividend on mutual fund	7.21	5.18
Provisions and liabilities no longer required, written back	372.75	238.83
Total	1,120.67	873.23



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18. Cost of raw material and components consumed

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Cost of material consumed and project costs	3,995.76	2,266.85
Total cost of material consumed and project costs	3,995.76	2,266.85

Purchase of stock in trade	14,529.76	8,427.24
-----------------------------------	------------------	-----------------

Changes in inventories

<u>Inventories at the end of the year</u>		
Traded goods	1,744.70	1,471.78
	1,744.70	1,471.78
<u>Inventories at the beginning of the year</u>		
Traded goods	1,471.78	2,016.69
	1,471.78	2,016.69
(Increase) / Decrease in inventories	(272.92)	544.91

19. Employee benefits expense

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Salaries, wages and bonus	2,980.55	1,961.50
Contribution to provident and other funds (refer note 25)	105.13	92.72
Gratuity expense (refer note 25)	23.93	27.04
Other employment benefits	44.48	26.09
Staff welfare expenses	21.75	32.47
	3,175.84	2,139.82

20. Depreciation and amortization expenses

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Depreciation on tangible assets (refer note 3a)	77.48	89.04
Amortization of intangible assets (refer note 3c)	3.11	1.63
Depreciation on investment properties (refer note 3b)	356.08	391.51
	436.67	482.18



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

21. Finance costs

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Interest on working capital	13.45	60.68
Bank charges	35.26	35.32
Interest on MSME vendors	0.24	-
	48.95	96.01

22. Other expenses

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
Stores and spares consumed	0.09	0.35
AMC subcontracting cost	0.03	-
Rent	76.34	50.83
Rates and taxes	47.50	149.39
Power and fuel	1.66	8.81
Insurance	19.07	21.63
Repairs and maintenance	28.75	22.44
Advertising and sales promotion	5.83	9.24
Communication expenses	52.54	47.18
Commission, discounts and incentives on Sales	30.18	18.24
Freight and forwarding charges	74.66	75.53
Travelling and conveyance	394.26	296.28
Printing and stationery	10.18	3.45
Legal and professional fees	295.33	157.71
Payment to auditors (refer details A below)	25.47	18.05
Corporate social responsibility expenses (refer details B below)	76.24	50.00
Loss on sale of fixed assets (net)	1.52	17.17
Bad debts / advances written off	25.68	499.91
Provision for doubtful debts and advances and expected credit loss (net)	66.36	(249.69)
Miscellaneous expenses	54.69	56.39
Payment of shared service charges to holding company	132.00	132.00
	1,418.38	1,384.89

A. Payment to auditors

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
As auditor:		
Audit fee	17.00	12.00
Limited review	6.00	3.00
In other capacity		
Other services	2.00	3.00
Reimbursement of expenses	0.47	0.05
	25.47	18.05



B Corporate social responsibility expenses

₹ Lakhs

	For the year ended	
	31st March, 2022	31st March, 2021
i) Amount required to be spent by the company	72.60	50.42
ii) Amount of expenditure incurred	81.81	44.00
iii) Shortfall/ (Excess) during the end of the year	(2.79)	6.42
iv) Total of previous year shortfall / excess	-	-
v) Reason for shortfall	-	Finding of credible projects in the pandemic situation.
vi) Nature of CSR activities	Diagnostic support programme	Diagnostic support programme
vii) Details of related parties	NA	NA
viii) Where a provision made with respect to a liability by entering into a contractual obligation, the movement in the provision during the year shown separately	NA	NA

23. Earning per shares (EPS)

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

	For the year ended	
	31st March, 2022	31st March, 2021
Profit attributable to equity holders of the company	3,151.68	2,299.54
Weighted average number of equity shares	5,29,25,052	5,29,25,052
Basic and diluted earnings per share	5.95	4.34



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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 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

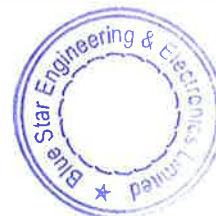
Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available 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.

COVID 19 - Recoverability of assets

In assessing the recoverability of assets such as inventories, trade receivables, contract assets and their estimated costs to completion, and other assets, based on current indicators of future economic conditions the Company expects to recover the carrying amounts of its assets. The impact of the global health pandemic, COVID 19, may be different from that presently estimated and would be recognised in the financial statements when material changes to economic conditions arise.



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the period ended 31st March 2022

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 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. The Company expects to contribute ₹ 41.96 lakhs in Gratuity Fund FY 2022-23 (FY 2021-22: NIL)

Disclosure information :

(i) Change in present value of defined benefit obligation:

Particulars	Gratuity (Funded)		Additional Gratuity		₹ Lakhs
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	
Defined benefit obligations at the beginning of the year	300.63	334.37	2.62	2.62	
Service cost					
a. Current service cost	27.83	26.42	0.14	0.15	
Interest expense	19.22	21.38	0.17	0.17	
Cash flow					
a. Benefits payments from planned assets	(46.16)	(45.27)	-	-	
b. Benefits payments from employer	-	-	-	-	
c. Settlement payments from planned assets	-	-	(0.10)	(0.20)	
Remeasurements					
a. Due to change in demographic assumptions	-	-	-	-	
a. Due to change in financial assumptions	(3.48)	-	(0.03)	(0.03)	
b. Due to experience adjustments	17.03	(36.28)	(0.13)	(0.11)	
Defined benefit obligation at the end of the year	315.07	300.63	2.67	2.62	





(ii) Change in fair value of plan assets

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Fair Value of the plan asset at the beginning of the year	356.10	324.80	-	-
Interest income	22.77	20.77	-	-
Cash flows				
a. Total employer contributions	-	29.13	-	-
(i) Employer contributions	-	-	-	-
(ii) Employer direct benefit payments	(46.17)	(45.27)	-	-
b. Benefit payments from plan assets	-	-	-	-
c. Benefit payments from employer	-	-	-	-
Remeasurements	-	-	-	-
a. Return on assets (excluding interest income)	-	26.67	-	-
Fair value of plan assets at end of the year	332.70	356.10	-	-

(iii) Components of defined benefit cost

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Service cost	27.83	26.42	0.14	0.15
Net interest cost	-	-	-	-
a. Interest expense on DBO	-	21.38	0.17	0.17
b. Interest (income) on plan assets	(3.54)	(20.77)	-	-
Total interest cost	(3.54)	0.61	0.17	0.17
Defined benefit cost included in P&L	24.29	27.04	0.31	0.31

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

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
a. Due to change in demographic assumptions	-	-	-	-
a. Due to change in financial assumptions	(3.48)	-	-0.03	-
b. Due to change in experience adjustments	17.03	(36.28)	-0.13	(0.11)
c. (Return) on plan assets (excl. interest income)	-	(26.46)	-	-
Total remeasurements in OCI	13.55	(62.74)	(0.16)	(0.11)
Total defined benefit cost recognized in P&L and OCI	37.84	(35.70)	0.15	0.20

(v) Amounts recognized in Balance Sheet

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Defined benefit obligation	315.07	300.63	2.67	2.62
Fair value of plan assets	332.70	356.10	-	-
Funded status	(17.64)	(55.47)	2.67	2.62
Net defined benefit liability / (asset)	(17.64)	(55.47)	2.67	2.62



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the period ended 31st March 2022

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

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Net defined benefit liability (asset) at the beginning of the year	(55.26)	9.57	2.62	2.62
Defined benefit cost included in P&L	24.29	27.04	0.31	0.31
Total remeasurements included in OCI	13.55	(62.74)	(0.16)	(0.11)
a. Employer contributions	-	(29.13)	-	-
b. Employer direct benefit payments	-	-	(0.10)	(0.20)
Net defined benefit liability / (asset) as of end of the year	(17.42)	(55.26)	2.67	2.62

₹ Lakhs

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

Particulars	31st March, 2022	31st March, 2021
Insurance company products	266.86	285.60
Others	65.84	70.50
Total	332.70	356.10

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

Particulars	Gratuity (Funded) / Additional Gratuity
Actuarial assumptions	31st March, 2021
Discount rate	6.60%
Rate of return on plan assets	6.60%
Mortality rate	100% of IALM 2012-14
Salary escalation rate (management-staff)	10% 7% 3%
Attrition rate	11% throughout
Disability rate	5% of mortality rate
Normal retirement age	65 Years for Directors 60 Years for Others



Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the period ended 31st March 2022

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 is shown as below:

Particulars	Assumptions	Gratuity (Funded) 31st March, 2022	Additional Gratuity 31st March, 2022
Discount rate			
Discount rate - 50 basis points		323.97	309.17
Assumption		2.80%	2.80%
Discount Rate + 50 basis points		306.61	292.51
Assumption		-2.70%	-2.70%
Salary rate - 50 basis points		306.61	292.52
Assumption		-2.70%	-2.70%
Salary rate + 50 basis points		323.97	309.08
Assumption		2.80%	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 2021-22

The average duration of the defined benefit plan obligation at the end of the reporting year 2021-22 is 5 years.

I. 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 ₹ 5,000/- for staff and ₹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 31st March, 2022 is ₹ 105.13 lakhs (and during the year ended March 31, 2021: ₹ 92.72 lakhs) has been recognised in the statement of profit and loss under the head employee benefit expense (refer note 19).

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.



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

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 Advani, Chairman
 Mr. B Thiagarajan, Director
 Mr. Neeraj Basur, Director
 Mr. Prem Kalliath, Chief Executive Officer

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 as on the balance sheet date.:

	₹ Lakhs	
	31st March, 2022	31st March, 2021
Blue Star Limited		
Income:		
Contract revenue	946.05	82.33
Sale of traded goods	-	1.01
Rent income	324.54	329.29
Interest Income on Inter corporate deposit	651.33	489.05
Expenses:		
Purchase of stock -in -trade	156.85	11.47
Shared service cost	132.00	132.00
Recovery of other expense	48.68	-
Other transactions:		
Inter corporate deposits placed	16,000.00	13,000.00
Key Management Person (KMP)		
Remuneration:		
Prem Kalliath	233.50	191.76
Loan given/ (recovery)		
Prem Kalliath	(1.33)	(0.11)
Balance Outsanding :		
Blue Star Limited		
Loans	16,000.00	13,000.00
Balance due -receivable/(payable)		
Debtors	16.87	1.76
Other current liabilities	(324.44)	(379.57)
Other current financial asset	-	-
Lease rental deposit	255.95	264.77
Balance receivable from Loan given to KMP		
Prem Kalliath	14.88	16.22



27. Segment Information:

A. Primary segment reporting (by business segment)

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

- Plumbing & fire-fighting systems including contracting business of engineering, construction, installation, commissioning and after sales service.
- 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.
- 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	
	As at 31st March, 2022	As at 31st March, 2021
I. SEGMENT REVENUE		
i. Plumbing and fire fighting systems	827.58	73.93
ii. Professional electronics and industrial systems	25,382.81	17,770.73
iii. Renting of properties	383.42	329.29
TOTAL SEGMENT REVENUE	26,593.81	18,173.95
II. SEGMENT RESULT		
i. Plumbing and fire fighting systems	166.16	3.73
ii. Professional electronics and industrial systems	4,079.14	3,379.88
iii. Renting of properties	(1.40)	(118.66)
TOTAL SEGMENT RESULT	4,243.90	3,264.95
Less: i) Finance cost	(48.70)	(96.01)
ii) Other un-allocable expenditure net of un-allocable income	186.83	536.36
TOTAL PROFIT BEFORE TAX	4,382.03	3,705.28
Less: Provision for taxes	(1,230.35)	(1,405.74)
NET PROFIT/(LOSS) AFTER TAX	3,151.68	2,299.54
III. OTHER INFORMATION:		₹ Lakhs
A. SEGMENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
i. Plumbing and fire fighting systems	1,086.31	659.62
ii. Professional electronics and industrial systems	13,022.94	6,354.59
iii. Renting of properties	3,475.23	4,446.57
TOTAL SEGMENT ASSETS	17,584.48	11,460.78
Add: Un-allocable corporate assets	17,611.80	14,320.10
TOTAL ASSETS	35,196.28	25,780.88
B. SEGMENT LIABILITIES		
i. Plumbing and fire fighting systems	1,389.56	530.32
ii. Professional electronics and industrial systems	15,557.81	10,066.48
iii. Renting of properties	256.58	301.15
TOTAL SEGMENT LIABILITIES	17,203.95	10,897.95
Add: Un-allocable corporate liabilities	(326.59)	(297.86)
TOTAL LIABILITIES	16,877.36	10,600.09
C. ADDITIONS TO NON CURRENT ASSETS		
i. Plumbing and fire fighting systems	-	-
ii. Professional electronics and industrial systems	32.47	17.81
iii. Renting of properties	-	-
iv. Other un-allocable	-	-
TOTAL	32.47	17.81
D. DEPRECIATION & AMORTISATION EXPENSE		
i. Plumbing and fire fighting systems	-	-
ii. Professional electronics and industrial systems	64.54	89.04
iii. Renting of properties	356.08	391.51
iv. Other un-allocable	16.05	1.63
TOTAL	436.67	482.18
E. NON CASH EXPENSES OTHER THAN DEPRECIATION		
i. Plumbing and fire fighting systems	-	19.00
ii. Professional electronics and industrial systems	92.04	231.21
iii. Renting of properties	-	-



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28. Derivative Instruments and attached 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, 2022		As at 31st March, 2021	
	Amount in Foreign Currency	₹ Lakhs	Amount in Foreign Currency	₹ Lakhs
Particulars of derivatives				
Forward cover to purchase USD & CNY:	-	-	73,800	54

b) Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount in Foreign Currency In Lakh	₹ Lakhs	Amount in Foreign Currency In Lakh	₹ Lakhs
Bank balances				
AED	0.41	8.53	0.35	6.93
EUR	5.04	424.59	1.92	164.97
CAD	1.92	116.21	0.39	22.56
USD	11.85	897.80	3.19	233.58
Receivables				
AED	0.43	8.81	0.43	8.50
CAD	0.47	28.20	-	-
EUR	0.86	72.05	2.19	187.43
GBP	0.08	8.20	0.08	7.84
JPY	22.75	14.14	22.75	15.04
USD	1.30	98.60	10.17	743.82
Payables				
AED	0.49	10.03	0.49	9.68
CAD	0.00	0.25	0.15	8.69
EUR	0.71	59.42	4.81	412.46
GBP	-	-	0.01	1.40
JPY	74.83	46.51	0.14	0.09
MYR	0.03	0.58	-	-
USD	5.46	413.64	7.11	519.74

29. Fair value hierarchy

Quantitative disclosures fair value measurement hierarchy as at 31st March 2022

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant Un observable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property (refer note 3b)	March 31, 2022	7,014.03	-	-	7,014.03
Liabilities measured at fair values :					
Derivatives not designated as hedges - Foreign exchange forward contracts (refer note 12)	March 31, 2022	-	-	-	-
Assets for which fair values are disclosed:					
Investment property (refer note 3b)	March 31, 2021	6,957.76	-	-	6,957.76
Liabilities measured at fair values :					
Derivatives not designated as hedges - Foreign exchange forward contracts (refer note 12)	March 31, 2021	1.29	-	1.29	-



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30. 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 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, 2022	For the Year Ended March 31, 2021
US Dollars	+5%	29.14	22.88
	-5%	(29.14)	(22.88)
Euro	+5%	21.86	3.00
	-5%	(21.86)	(3.00)
CAD	+5%	7.21	0.69
	-5%	(7.21)	(0.69)
JPY	+5%	(1.62)	74.76
	-5%	1.62	(74.76)
AED	+5%	0.37	0.29
	-5%	(0.37)	(0.29)
MYR	+5%	0.03	-
	-5%	(0.03)	-
GBP	+5%	0.41	0.32
	-5%	(0.41)	(0.32)



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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. (refer note 6a for detailed ageing)

2 Financial instruments and cash deposits

Credit risk from balances with banks and mutual funds 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 and mutual funds, 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

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 ₹.16,000 Lakh for financing the working capital demands of the business.

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:

Nature of expenses	Cost of material consumed and project cost	Other expenses	Total
Travelling & conveyance	2.00	394.26	396.26
	(0.76)	(296.28)	(297.04)
Legal & professional fees	-	295.33	295.33
	-	(157.71)	(157.71)

Figures in brackets relate to the previous year



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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.

Particulars	₹ Lakhs	
	31st March, 2022	31st March, 2021
Claims against the company not acknowledged as debts in respect of sales tax matters	99.64	267.62
Income tax matters	1,788.00	1,788.00
Total	1,886.64	2,073.62

34 Commitments

Particulars	₹ Lakhs	
	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances),	58.73	-

35 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, 2022 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:

Revenue by segment type	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Over time	At a point in time	Total	Over time	At a point in time	Total
	₹ Lakhs					
Plumbing and firefighting systems	827.58	-	827.58	73.93	-	73.93
Professional electronics and industrial systems	3,806.71	21,476.09	25,382.80	3,585.54	14,205.19	17,770.73
Renting of properties	383.42	-	383.42	329.29	-	329.29
Total	6,117.71	21,476.09	26,593.80	3,968.76	14,205.19	18,173.95

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

Particulars	₹ Lakhs	
	31st March, 2022	31st March, 2021
Sales of products at transaction price	20,022.01	13,183.79
Less: Rebates	-	-
Revenue recognised on sale of products	20,022.01	13,183.79

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

Particulars	₹ Lakhs	
	31st March, 2022	31st March, 2021
Opening balance- contract assets (net of impairment)	259.93	212.93
Opening balance contract liabilities*	(3,458.00)	(3,483.78)
Revenue recognised during the year	5,117.71	(3,639.47)
Less: Progress billing during the year	(6,710.78)	3,712.25
Closing balance	(4,791.14)	(3,198.07)
Closing balance contract assets (net of impairment)	282.84	259.93
Closing balance contract liabilities including Income received in advance	(5,053.08)	(3,458.00)
*The Company has recognised revenue out of opening contract liabilities	(3,458.00)	(3,483.78)



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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022

36. Ratio

Particulars	Definition	31st March, 2022	31st March, 2021	% Change	Reason
Current ratio	Current assets / Current liabilities	1.87	1.91	2%	
Return on Equity Ratio (ROE)	Net profit after tax / average shareholders equity X 100	19%	16%	-15%	
Inventory turnover (No. of days)	COGS / avg inventory for the year	11.35	6.44	-76%	Revenue growth and efficient inventory operations during the year has led to faster inventory turnover and thereby the inventory turnover ratio has been improved.
Trade receivables turnover (No. of days)	Turnover for the year / avg debtors for the year	6.93	5.94	-15%	
Trade payables turnover (No. of days)	COGS for the year / avg creditors for the year	3.68	2.97	-24%	
Net capital turnover ratio (In times)	Net sales / working capital	2.00	1.89	-6%	
Net profit ratio	Profit/(Loss) for the period / Total sales X 100	11.85%	12.65%	6%	
Return on capital employed	(Profit before tax+ finance charge) / capital employed	24%	25%	3%	

Note :

- 1.) Debt Service Coverage Ratio (DSCR), Debt-Equity ratio are not applicable due to no long term loan repayment made during the year & no outstanding loan as on 31st march 2022
- 2.) Return on investment are not applicable due to no investment exists.



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37. 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 & Loss under rent charges ₹ 76.34 Lakhs (31st March 2021: ₹ 50.83 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 ₹ 383.42 Lakhs (31st March 2021 : ₹ 329.29 Lakhs).

38. 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

39. Other statutory information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC 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 has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 has not received any fund from any person(s) or entity(ies), 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 has not 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
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- (ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- (x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year




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Blue Star Engineering & Electronics Limited
Notes to Financial Statements for the year ended March 31, 2022


40. Previous Year Comparatives


Corresponding figures for the immediately preceding period are disclosed in the financial statements. Previous years' figures have been regrouped/reclassified where necessary to conform 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 Kantiath
CEO


Sivakumar Ramani
CFO


Yogesh Joshi
Company Secretary


Place : Mumbai
Date : 27th April, 2022

