

BLUE STAR CLIMATECH LIMITED

Financial Statement for the year ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Blue Star Climatech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 ended on that date, and notes to financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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 ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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



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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 controls 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 with reference to financial statements 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.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 financial controls 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 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, except for the matters stated in (i)(vi) below.
 - 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.



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- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.
- h) 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 company has not paid or provided any managerial remuneration during the year and hence compliance with the provisions of section 197, read with the Schedule V of the act are not applicable to the company.
- i) 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 does not have any pending litigations which would impact on its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were 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 its knowledge and belief, as disclosed in note 30 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(s) or entity(ies), 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 its knowledge and belief, as disclosed in note 30 to the financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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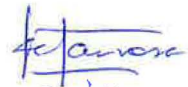
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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)



Ketan Vora
Partner

Membership No. 100459
UDIN: 24100459BKFASV6877

Place: Mumbai
Date: April 30, 2024

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **BLUE STAR CLIMATECH LIMITED** ("the Company") as at March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 respective 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.



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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


Ketan Vora

Partner

Membership No. 100459
UDIN: 24100459BKFASV6877

Place: Mumbai
Date: April 30, 2024

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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

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 and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets (including intangible assets under development).
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets, so to cover all the items once every 2 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, during the year certain property, plant and equipment 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 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, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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. For stocks held with third parties at the year end, written confirmations have been obtained by the management and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed, as applicable, when compared with books of account.



(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, 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, creditors, 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 of the respective quarters and no material discrepancies have been observed. The Company has not been sanctioned any working capital facility from financial institutions.

(iii) (a) The Company has provided unsecured loans to other parties during the year and details of which are given below:

Particulars	Amount (Rs. In lakhs)
A. Aggregate amount granted / provided during the year:	
- Others (Employees)	13.21
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	17.40

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

- (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, 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 has been stipulated and the repayments of principal amounts 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 not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.
- (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.



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- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, we have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) There are no dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2024.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful 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.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



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- (x) (b) The Company has issued equity shares on right basis during the year. For such allotment of shares, the Company has complied with the requirements of Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (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.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.
- 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 and the 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, 2024.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors 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 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) 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 any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 342.28 lakhs in the immediately preceding financial year.

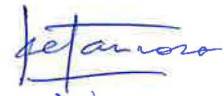


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- (xviii) There has been no resignation of the statutory auditors of the company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other 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) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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



Ketan Vora
Partner

Membership No. 100459
UDIN: 24100459BKFASV6877

Place: Mumbai
Date: April 30, 2024



BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Balance Sheet as at March 31, 2024

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
		₹ Lakhs	₹ Lakhs
A ASSETS			
1. Non-current assets			
(a) Property plant and equipment	4	35,709.72	26,684.76
(b) Capital work-in-progress	4A	8,288.02	3,148.11
(c) Right-of-use assets	5	1,291.15	523.23
(d) Intangible assets	6	99.75	90.00
(e) Intangible assets under development	6A	4.24	29.49
(f) Financial assets			
(i) Loans	8	7.47	7.59
(ii) Other financial assets	8A	85.77	76.14
(g) Income tax assets (net)	20	-	0.94
(h) Deferred tax assets (net)	20	-	36.47
(i) Other non-current assets	12	5,561.73	2,577.00
Total Non-current assets		51,047.85	33,173.73
2. Current assets			
(a) Inventories	9	12,521.37	8,196.50
(b) Financial assets			
(i) Investments	7	2,891.15	-
(ii) Trade receivables	10	13,833.59	6,409.47
(iii) Cash and cash equivalents	11	329.08	826.96
(iv) Loans	8	9.93	1.52
(v) Other financial assets	8A	601.60	1.50
(c) Other current assets	12	669.77	2,147.00
Total current assets		30,856.49	17,582.95
Total Assets		81,904.34	50,756.68
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	13	51,500.00	9,660.00
(b) Other equity	14	1,363.45	(901.81)
Total Equity		52,863.45	8,758.19
2. Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	16,173.56
(b) Other non current liabilities	18	2,890.85	1,891.94
(c) Deferred tax liabilities (net)	20	315.16	-
Total - Non-Current Liabilities		3,206.01	18,065.50
3. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,000.00	11,683.39
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		3,077.74	1,195.88
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	13,705.10	7,903.52
(iii) Other financial liabilities	17	1,660.16	2,669.76
(b) Other current liabilities	18	1,172.40	454.38
(c) Provisions	19	123.78	26.06
(d) Income tax liabilities (net)	20	95.70	-
Total current liabilities		25,834.88	23,932.99
Total Equity and liabilities		81,904.34	50,756.68

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements.

3
1 - 44

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



Ketan Vora
Partner
Membership No. 100459
Date: April 30, 2024
Place: Mumbai



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

B. Thiagarajan
Director
DIN: 01790498

Vir S. Advani
Director
DIN: 01571278


Devidas V Kastekar
Chief Executive Officer


Sivakumar Ramani
Chief Financial Officer


Neha Roy
Company Secretary

Date: April 23, 2024
Place: Mumbai

BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Statement of Profit and Loss for the year ended March 31, 2024

Particulars	Notes	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
		₹ Lakhs	₹ Lakhs
Revenue from operations:	21	71,875.44	14,047.92
Other income	22	378.72	131.97
Total Income (I)		72,254.16	14,179.89
Expenses			
Cost of raw materials consumed	23	61,832.92	13,592.44
Changes in inventories of finished goods and work-in-progress	23	(1,339.31)	(1,543.08)
Employee benefits expense	24	3,352.39	985.06
Finance costs	25	1,329.56	499.86
Depreciation and amortisation expense	26	2,192.85	380.18
Other expenses	27	2,121.59	987.89
Total Expenses (II)		69,490.00	14,902.35
Profit/(Loss) before tax (I-II)		2,764.16	(722.46)
Tax expense			
i) Current tax	20	138.56	0.93
ii) Deferred tax	20	353.12	(36.70)
Total tax expense		491.68	(35.77)
Net Profit/(Loss) after Tax		2,272.48	(686.69)
Other comprehensive income not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(losses) on defined benefit plans		(8.71)	1.34
Income tax effect	20	1.49	(0.23)
Other comprehensive income/(Loss) for the year		(7.22)	1.11
Total comprehensive income/(Loss) for the year		2,265.26	(685.58)
Earning per equity share of ₹ 10 each	28		
Basic (in ₹)		0.66	(1.45)
Diluted (in ₹)		0.66	(1.45)

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements.

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Neha Roy
Company Secretary

Date: April 23, 2024
Place: Mumbai

BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Statement of Changes in Equity for the year ended March 31, 2024

(A) Equity Share Capital

For the year ended March 31, 2024

₹ Lakhs

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2024
9,660.00	-	-	41,840.00	51,500.00

For the year ended March 31, 2023

₹ Lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2023
2,660.00	-	-	7,000.00	9,660.00

(B) Other Equity

For the year ended March 31, 2024

₹ Lakhs

Particulars	Reserves and surplus	Other Comprehensive Income	Total other equity
	Retained Earning (refer note 14)	(Remeasurement of defined benefit plan)	
Balance as at April 1, 2023	(902.92)	1.11	(901.81)
Profit for the year	2,272.48	-	2,272.48
Other comprehensive income for the year (net of tax)	-	(7.22)	(7.22)
Total comprehensive income for the year	2,272.48	(7.22)	2,265.26
Balance as at March 31, 2024	1,369.56	(6.11)	1,363.45

For the year ended March 31, 2023

₹ Lakhs

Particulars	Reserves and surplus	Other Comprehensive Income	Total Other Equity
	Retained Earning (refer note 14)	(Remeasurement of defined benefit plan)	
Balance as at April 1, 2022	(216.23)	0.00	(216.23)
Loss for the year	(686.69)	0.00	(686.69)
Other comprehensive income for the year (net of tax)	-	1.11	1.11
Total comprehensive income for the year	(686.69)	1.11	(685.58)
Balance as at March 31, 2023	(902.92)	1.11	(901.81)

Summary of material accounting policies

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

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1 - 44

In terms of our report attached

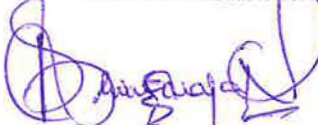
For Deloitte Haskins & Sells LLP
Chartered Accountants

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


Ketan Vora

Partner
Membership No. 100459
Date: April 30, 2024
Place: Mumbai





B. Thiagarajan
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Chief Financial Officer


Neha Roy
Company Secretary

Date: April 23, 2024
Place: Mumbai

BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Statement of Cash Flows for the year ended March 31, 2024

₹ Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,764.16	(722.46)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	2,192.85	380.18
Finance cost	1,329.56	499.86
Interest income	(3.39)	(7.57)
Income from mutual fund	(218.72)	-
Net Translation gain on monetary assets/liabilities	12.98	0.62
Loss on property, plant & equipment other than freehold land discarded	156.11	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,233.54	150.63
Adjustment for working capital :		
(Increase)/decrease in trade receivables	(7,424.12)	(6,409.47)
(Increase)/decrease in Inventories	(4,324.87)	(8,196.50)
(Increase)/decrease in other assets/financial assets	(139.70)	(3,624.10)
Increase/(decrease) in trade payables	7,670.46	9,084.35
Increase/(decrease) in other current liabilities	1,711.85	2,320.09
Increase/(decrease) in provisions	89.02	20.87
Cash generated from operations	3,816.19	(6,654.13)
Direct taxes paid (net of refunds)	(41.92)	(1.87)
Net cash generated from / (used in) operating activities (A)	3,774.27	(6,656.00)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipments and other intangible assets. [Including Capital work-in-progress and intangible assets under development]	(20,211.42)	(19,282.80)
Proceeds from sale of property, plant and equipment	12.53	-
Purchase of current investments	(42,845.74)	-
Sale of current investments	40,173.31	-
Interest received	3.39	7.57
Net cash (used in) investing activities (B)	(22,867.93)	(19,275.23)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) short term borrowings (net)	(4,683.39)	1,500.00
Proceeds from / (Repayment of) from non current borrowings	(16,173.56)	12,500.00
Inter corporate deposit received from related parties	3,500.00	6,500.00
Inter corporate deposit repaid to related parties	(4,500.00)	-
Finance cost paid	(1,387.27)	(1,258.34)
Proceeds from issue of equity shares	41,840.00	7,000.00
Net cash generated from financing activities (C)	18,595.78	26,241.66
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(497.88)	310.43
Cash and cash equivalents at the beginning of the year	826.96	516.53
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	329.08	826.96
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
- In current accounts	328.58	826.96
Cash on hand	0.50	-
Balance as per statement of cash flows	329.08	826.96

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.



BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Statement of Cash Flows for the year ended March 31, 2024

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2024:

Particulars	Non current borrowings	Current borrowings
	₹ lakhs	₹ lakhs
At the beginning of the year	16,221.77	11,692.88
Cash flows during the year (net)	(16,221.77)	(5,692.88)
Current maturity of long term borrowings	-	-
At the end of the year (excluding interest liability on borrowings)	-	6,000.00

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2023 :

Particulars	Non current borrowings	Current borrowings
	₹ lakhs	₹ lakhs
At the beginning of the year	6,856.95	500.00
Cash flows during the year (net)	12,500.00	8,000.00
Current maturity of long term borrowings	(3,183.39)	3,183.39
At the end of the year (excluding interest liability on borrowings)	16,173.56	11,683.39
Non Cash changes due to :		
-Interest on borrowings (clubbed under other financial liabilities)	48.21	9.49
At the end of the year (including interest liability on borrowings)	16,221.77	11,692.88

Summary of material accounting policies

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

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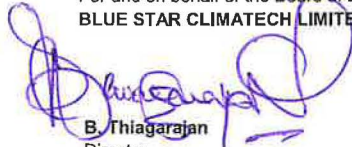
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Ketan Vora
 Partner
 Membership No. 100459
 Date: April 30, 2024
 Place: Mumbai

Date: April 30, 2024



For and on behalf of the Board of Directors of
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 Chief Financial Officer


Neha Roy
 Company Secretary

Date: April 23, 2024
 Place: Mumbai

BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024

1 CORPORATE INFORMATION

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

The financial statements of the Company were approved by its Board of Directors on April 23, 2024.

2 STATEMENT OF COMPLIANCE

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and presentation

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

The financial statements are presented in and all values are rounded to the nearest lakhs, except when otherwise indicated."

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

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 29.

(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 amount of the transaction price (which excludes estimates of variable consideration that are constrained in accordance with paragraphs 56–58) that is allocated to that performance obligation. Revenue is net of trade discounts, rebates, and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of the Government.

i. Revenue from sale of goods:

Revenue from the sale of goods is recognized 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. Interest income:

Interest income is recognized using the effective interest method.

(d) Employee benefits

Short term benefits:

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



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024

Retirement benefits

Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

Defined benefit plan:

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution. The present value of defined benefit obligation of employees' provident fund is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

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

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

Other long-term employee benefits:

Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

(e) Leases

As a lessee

At the inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of a lease, the Company recognizes a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for short-term leases and low-value leases. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities. ROU assets are amortized on a straight-line basis over the asset's useful life or the lease period whichever is shorter.

Lease liability is measured by discounting the lease payments using the interest rate using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Impairment of ROU assets is in accordance with the policy for impairment of non- financial assets.

The Company has opted for the exemption provided under Ind AS 116 for short-term leases and leases of low-value assets, hence the lease payments associated with those leases are treated as an expense on a straight-line basis over the lease term.

As a lessor

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

(f) Foreign currencies

The functional currency of the Company is the Indian rupee (₹).

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in profit or loss.

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

(g) Taxes

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 recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or in equity, in which case the related current and deferred taxes are also recognized in other comprehensive income or equity, as applicable.

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

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



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024**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 tax is recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized 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 utilized.

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 utilized.

(h) Property, plant and equipment

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

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

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. Leasehold land is depreciated on a straight line basis over the period of the lease. All other assets are depreciated to their residual values on a written-down value basis over their estimated useful lives. The estimated useful lives of the assets are as follows:

Nature of tangible asset	Useful life (years)
Factory buildings	30
Other buildings	60
Roads	5
Temporary structure	3
Plant & Machinery	8-20
Infrastructure Development Rights	30
Furniture and fixtures	10
Office equipment	5
Vehicles	5
Computer - desktop, laptops, servers and networks	3

Useful lives of plant and machinery are higher than those indicated in Schedule II to the Companies Act, 2013 based on management estimates and technical assessment made by a technical expert.

The company has not revalued its Property plant and equipment (Including ROU), and Intangible assets.

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.

Tangible assets are derecognised upon its disposal, or when no further economic benefits are expected to arise from continued use of assets. Any gain or loss arising from derecognition is included in profit or loss.

Capital work-In-Progress and capital advance

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. The cost comprises purchase price, borrowing cost, if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebate are deducted in arriving at the purchase price. Advances paid for the acquisition/construction of property, plant and equipment which are outstanding at the balance sheet date are classified under the 'capital advances'.

(i) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are derecognised upon its disposal, or when no further economic benefits are expected to arise from continued use if assets. Any gain or loss arising from derecognition is included in profit or loss.

The useful lives of intangible assets are as mentioned below:

Nature of intangible asset	Useful life
Software (acquired)	6 years



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024

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

Intangible asset under development

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

(j) Impairment of non-financial assets

Property, plant and equipment, and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

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

(k) Financial instruments

Recognition and initial measurement

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

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

Financial Assets

Cash and cash equivalents

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

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

Financial Assets

Financial assets at amortised cost

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

Financial assets at fair value through profit or loss

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



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024

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 profit or loss only if the criteria in Ind AS 109 are satisfied.

Other financial liabilities

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

Equity instruments

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

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized 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 or 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.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in their entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(l) Inventories

Inventories including Work- in- Progress (other than construction contracts) are valued at cost or net realizable value, whichever is lower, the cost is worked out on a weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(m) Trade Receivables

Trade receivables are financial assets within the scope of measurement requirements of Ind AS 109. All financial assets are initially at fair value plus or minus the transaction cost. Financial assets in the form of trade receivables, shall be initially measured at their transaction price unless those contain a significant financing component determined in accordance with Ind AS 115.

(n) Provisions and contingencies

Provisions

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.



BLUE STAR CLIMATECH LIMITED

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Notes to Financial Statements for the year ended March 31, 2024

(o) Segment reporting

The Company is engaged only in the business of manufacturing and dealing room air conditioners in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

(p) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity's operating cycle is twelve months.

(q) Earnings per share

The Companies Earnings per Share ('EPS') is determined based on the net profit attributable to the equity shareholders of the Company. Basic earnings per share are calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of common and dilutive shares outstanding during the year including share-based payments, except where the result would be anti-dilutive.

(r) Borrowing Costs

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

(s) Current / Non-current classification :

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



4. PROPERTY PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Buildings	Plant and equipment	Leasehold improvements	Furniture & fixtures	Office equipment	Vehicles	Computers	Total
Cost								
At April 1, 2022	-	-	1,969.42	-	-	-	-	1,969.42
Additions during the year	10,561.57	13,631.29	682.63	17.83	244.42	-	-	25,137.74
Disposals/Transfers during the year	-	-	-	-	-	-	-	-
At March 31, 2023	10,561.57	13,631.29	2,652.05	17.83	244.42	-	-	27,107.16
At April 1, 2023	10,561.57	13,631.29	2,652.05	17.83	244.42	-	-	27,107.16
Additions during the year	407.18	5,001.01	4,889.14	79.91	354.23	65.73	405.18	11,202.38
Disposals/Transfers during the year	-	(18.26)	-	-	-	-	-	(18.26)
At March 31, 2024	10,968.75	18,614.04	7,541.19	97.74	598.65	65.73	405.18	38,291.28
Accumulated Depreciation								
At April 1, 2022	-	-	50.36	-	-	-	-	50.36
Disposals/Transfers during the year	-	-	-	-	-	-	-	-
Provided during the year	72.66	220.13	67.66	0.14	11.45	-	-	372.04
At March 31, 2023	72.66	220.13	118.02	0.14	11.45	-	-	422.40
At April 1, 2023	72.66	220.13	118.02	0.14	11.45	-	-	422.40
Disposals/Transfers during the year	-	(0.65)	-	-	-	-	-	(0.65)
Provided during the year	363.89	1,329.82	244.86	5.81	107.17	7.93	100.33	2,159.81
At March 31, 2024	436.55	1,549.30	362.88	5.95	118.62	7.93	100.33	2,581.56
Net Book Value								
At March 31, 2024	10,532.20	17,064.74	7,178.31	91.79	480.03	57.80	304.85	35,709.72
At March 31, 2023	10,488.91	13,411.16	2,534.03	17.69	232.97	-	-	26,684.76

Note

- All the title deed of immovable property are in the name of the company.
- According to assessment of the management, there are no events or changes in circumstances that suggest impairment of PPE as per IND AS 36 Impairment of assets. Consequently, no provision for impairment has been reported.

4(A). CAPITAL WORK IN PROGRESS

₹ Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work in Progress	8,288.02	3,148.11
Total Capital Work In Progress	8,288.02	3,148.11

Ageing of Capital work in progress

₹ Lakhs

Particulars	As at Mar 31, 2024					As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,286.67	1.35	-	-	8,288.02	2,748.10	400.01	-	-	3,148.11
Total capital work in progress	8,286.67	1.35	-	-	8,288.02	2,748.10	400.01	-	-	3,148.11

Note:

- Refer note 33 for disclosure of contractual commitment for acquisition of property, plant and equipment.
- There are no projects/items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.
- According to assessment of the management, there are no events or changes in circumstances that suggest impairment of CWIP as per IND AS 36 Impairment of assets. Consequently, no provision for impairment has been reported.



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Notes to Financial Statements for the year ended March 31, 2024

5. RIGHT OF USE ASSETS

₹ Lakhs

Particulars	Land - leasehold	Total
Cost		
At April 1, 2022	401.20	401.20
Additions during the year	130.00	130.00
At March 31, 2023	531.20	531.20
At April 1, 2023	531.20	531.20
Additions during the year	781.21	781.21
At March 31, 2024	1,312.41	1,312.41
Accumulated Amortisation		
At April 1, 2022	3.27	3.27
Provided during the year	4.70	4.70
At March 31, 2023	7.97	7.97
At April 1, 2023	7.97	7.97
Provided during the year	13.29	13.29
At March 31, 2024	21.26	21.26
Net Book Value		
At March 31, 2024	1,291.15	1,291.15
At March 31, 2023	523.23	523.23



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Notes to Financial Statements for the year ended March 31, 2024

6. INTANGIBLE ASSETS

₹ Lakhs

Particulars	Software (acquired)	Total
Cost		
At April 1, 2022	-	-
Additions during the year	93.44	93.44
At March 31, 2023	93.44	93.44
At April 1, 2023	93.44	93.44
Additions during the year	29.50	29.50
At March 31, 2024	122.94	122.94
Amortisation		
At April 1, 2022	-	-
Provided during the year	3.44	3.44
At March 31, 2023	3.44	3.44
At April 1, 2023	3.44	3.44
Provided during the year	19.75	19.75
At March 31, 2024	23.19	23.19
Net Book Value		
At March 31, 2024	99.75	99.75
At March 31, 2023	90.00	90.00

6(A). INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing of Intangible assets under development

₹ Lakhs

Particulars	As at Mar 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.89	2.35	-	-	4.24
Total Intangible assets under development	1.89	2.35	-	-	4.24

₹ Lakhs

Particulars	As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	29.49	-	-	-	29.49
Total Intangible assets under development	29.49	-	-	-	29.49



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Notes to Financial Statements for the year ended March 31, 2024

7. INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
I. Current investments		
Investment in units of mutual funds		
Unquoted investment in mutual funds		
Growth Scheme		
600,648.069 Units (March 31, 2023 : Nil Units) in ABSL Liquid fund	2,340.61	-
11,349.297 Units (March 31, 2023 : Nil Units) in ABSL Money Manager Fund	38.68	-
10,272.761 Units (March 31, 2023 : Nil Units) in Kotak Liquid Fund	501.21	-
258.345 Units (March 31, 2023 : Nil Units) in Kotak Money Market Fund	10.65	-
Total Current investments	2,891.15	-

8. LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Loans to employees	7.47	7.59	9.93	1.52
Total loans	7.47	7.59	9.93	1.52

Note:

1. The company has not made loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

2. Loan given to employees are as per terms of employment.

8A. OTHER FINANCIAL ASSETS

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Security deposits, considered good	85.77	76.14	1.60	1.50
PLI Receivable	-	-	600.00	-
Total other financial assets	85.77	76.14	601.60	1.50

9. INVENTORIES

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
Raw materials & components	9,638.98	6,653.42
Work-in-progress	2,701.39	1,225.45
Finished goods	181.00	317.63
Total inventories	12,521.37	8,196.50
Inventories includes Goods-in-transit		
Raw materials & components	2,977.77	2,938.15
Total Goods in Transit	2,977.77	2,938.15



10. TRADE RECEIVABLES

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
Trade receivables considered good - unsecured	13,833.59	6,409.47
Less: Impairment Allowance	-	-
Total trade receivables	13,833.59	6,409.47

Ageing of trade receivables

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	12,908.17	925.42	-	-	-	-	13,833.59
	12,908.17	925.42	-	-	-	-	13,833.59
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total trade receivables	12,908.17	925.42	-	-	-	-	13,833.59
Less: Impairment Allowance	-	-	-	-	-	-	-
Total trade receivables	12,908.17	925.42	-	-	-	-	13,833.59

Ageing of trade receivables

Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	5,056.54	1,352.93	-	-	-	-	6,409.47
	5,056.54	1,352.93	-	-	-	-	6,409.47
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total trade receivables	5,056.54	1,352.93	-	-	-	-	6,409.47
Less: Impairment Allowance	-	-	-	-	-	-	-
Total trade receivables	5,056.54	1,352.93	-	-	-	-	6,409.47

11. CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
Cash and cash equivalent		
Balances with banks:		
- In current accounts	328.58	826.96
Cash on hand	0.50	-
Total cash and cash equivalent	329.08	826.96

12 OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Capital advances	2,670.88	685.08	-	-
Balances with statutory authorities	2,890.85	1,891.94	363.94	1,916.63
Vendor advances	-	-	252.96	188.14
Prepaid expenses	-	-	52.87	42.23
Total other assets	5,561.73	2,577.00	669.77	2,147.00

Note:

Balances with statutory authorities (non-current) pertains to customs duty, integrated goods and services tax, social welfare surcharge deferred against bonded manufacturing scheme (MOOWR Scheme) on import of capital goods. We have also recognised corresponding liability for the same amount under dues to statutory bodies (non-current) in other liabilities (refer note no. 18).

Categorisation of financial assets :

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
At Fair Value		
Investments (refer note 7)	2,891.15	-
Total financial assets at fair value through profit or loss	2,891.15	0.00
At Amortised Cost		
Trade receivables (refer note 10)	13,833.59	6,409.47
Cash & bank balances (refer note 11)	329.08	826.96
Loans (refer note 8)	17.40	9.11
Other financial assets (refer note 8A)	687.37	77.64
Total financial assets carried at amortized cost	14,867.44	7,323.18



13. EQUITY SHARE CAPITAL

Authorised share capital	Cumulative convertible preference shares of ₹ 10 each		Equity shares of ₹ 10 each	
	No.	₹ Lakhs	No.	₹ Lakhs
At April 1, 2022	2,000,000	200.00	30,000,000	3,000.00
Increase/(Decrease) during the year	-	-	368,000,000	36,800.00
At March 31, 2023	2,000,000	200.00	398,000,000	39,800.00
Increase/(Decrease) during the year	100,000,000	10,000.00	250,000,000	25,000.00
At March 31, 2024	102,000,000	10,200.00	648,000,000	64,800.00

Terms/Rights attached to Equity Shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of number of equity shares held by the shareholders.

Terms/Rights attached to cumulative convertible preference shares and cumulative compulsorily convertible preference shares
Each convertible preference share is convertible at the option of the shareholders into Equity shares.

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

Issued share capital

Equity shares of ₹ 10 each issued, subscribed & fully paid up	No.	₹ Lakhs
At April 1, 2022	26,600,000	2,660.00
Issue of Right Shares during the year	70,000,000	7,000.00
At March 31, 2023	96,600,000	9,660.00
Issue of Right Shares during the year	418,400,000	41,840.00
At March 31, 2024	515,000,000	51,500.00

The company has issued 41,840,000 shares under Right Issue at face value of Rs 10 per share aggregating to Rs 4,184,000,000 issued to the existing equity shareholder for cash at par in eight tranches.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited	514,999,994	99.99%	96,599,994	99.99%

Shareholding pattern of promoters and changes in holding during the year

Share held by promoters at the end of the year	As at March 31, 2024			As at March 31, 2023		
	Numbers of shares	% of total shares	% Changes during the year	Numbers of shares	% of total shares	% Changes during the year
Name of Promoters						
Blue Star Limited and its nominees	515,000,000	100.00 %	0.00 %	96,600,000	100.00%	0.00 %

Aggregate number of equity shares issued for consideration other than cash

Particulars	Aggregate Number of Shares	
	As at March 31, 2024	As at March 31, 2023
Fully paid Equity Shares	23,600,000	23,600,000

14. OTHER EQUITY

Particulars	₹ Lakhs	
	Attributable to owners of the company	
	As at March 31, 2024	As at March 31, 2023
Retained Earnings		
Opening Balance	(902.92)	(216.23)
Add: Net Profit/(Loss) for the year as per Statement of Profit and Loss	2,272.48	(686.69)
Closing Balance	1,369.56	(902.92)
Other comprehensive income		
(i) Remeasurement of defined benefit plan		
Opening Balance	1.11	-
Add: Additions during the year	(7.22)	1.11
Closing Balance	(6.11)	1.11
Total	1,363.45	(901.81)

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



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Notes to Financial Statements for the year ended March 31, 2024

15. BORROWINGS

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
At amortised cost		
<u>Non-current borrowings</u>		
Term loan - Secured	-	16,173.56
Total non-current borrowings	-	16,173.56
<u>Short term borrowings</u>		
At amortised cost		
Unsecured		
Current maturities of long term debt	-	3,183.39
Working Capital Demand Loan from banks	-	1,500.00
Unsecured		
Inter corporate deposit received from related parties (refer note 32)	6,000.00	7,000.00
Total current borrowings	6,000.00	11,683.39
Aggregate secured loans	-	20,856.95
Aggregate unsecured loans	6,000.00	7,000.00
Total borrowings	6,000.00	27,856.95

1. Term loans from Banks

- Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from HSBC Bank has been re-paid in full in October, 2023. (March 31, 2023 - 8.60% to 8.90% p.a.)
- Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from Kotak Bank has been re-paid in full in October, 2023. (March 31, 2023 - 7.60% to 7.63% p.a.)
- Term Loan obtained for setting up plant in Sri City for manufacturing Room air-conditioners from Axis Bank has been re-paid in full in October, 2023 (March 31, 2023 - 7.63% to 7.69% p.a.)

2. Working Capital Demand Loan

Working capital facility obtained from Axis Bank and HSBC Bank for the purpose of meeting working capital requirements has been re-paid in full on due dates. (March 31, 2023 - 7.5% to 7.75% p.a.)

3. Intercorporate Deposit (Related Party)

Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 5.50% to 7.98% p.a. ((March 31, 2023 : 5.35% to 7.98%) linked to 12 Months T bill + 0.75% with frequency being last day of the quarter ending (June/Sep/Dec/March). Repayment ending on one year.



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Notes to Financial Statements for the year ended March 31, 2024

16. Trade Payables

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
Trade Payables		
Total outstanding dues to Micro and small enterprises *	3,077.74	1,195.88
	3,077.74	1,195.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,705.10	7,903.52
Total Payable	16,782.84	9,099.40

DISCLOSURE AS PER SECTION 22 OF MSME ACT

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	3,076.28	1,195.88
(ii) Interest due on above	1.46	-
(b) Amount of interest paid by the buyer in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(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 the Micro, Small & Medium Enterprises Development Act, 2006.	1.46	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year*	1.46	-
(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 Micro, Small & Medium Enterprises Development Act, 2006.	-	-
	3,077.74	1,195.88

The information has been given in respect of such vendors to the extent they could be identified as 'Micro and Small Enterprises' on the basis of information available with the Company.

* Interest on overdue balances of Micro and Small Enterprises is fully provided. Interest provided is unclaimed by the vendor.

Ageing of payables

₹ Lakhs

Particulars	As at March 31, 2024					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Acceptances						
Undisputed						
Dues to micro enterprises and small enterprises	2,703.43	374.30	-	-	-	3,077.74
Dues of creditors other than micro and small enterprises	11,183.68	2,446.16	75.26	-	-	13,705.10
Less: Allowance for doubtful debts						
	13,887.11	2,820.47	75.26	-	-	16,782.84
Disputed						
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total payables	13,887.11	2,820.47	75.26	-	-	16,782.84

Ageing of payables

₹ Lakhs

Particulars	As at March 31, 2023					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Acceptances						
Undisputed						
Dues to micro enterprises and small enterprises	0.60	1,195.28	-	-	-	1,195.88
Dues of creditors other than micro and small enterprises	2,479.14	5,424.38	-	-	-	7,903.52
	2,479.74	6,619.66	-	-	-	9,099.40
Disputed						
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total payables	2,479.74	6,619.66	-	-	-	9,099.40



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Notes to Financial Statements for the year ended March 31, 2024

17. OTHER FINANCIAL LIABILITIES

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
Financial liabilities at amortized cost		
Foreign exchange forward contracts	2.15	7.24
Interest accrued but not due on borrowings	-	57.70
Creditors - capital expenditure	1,658.01	2,604.82
Total other financial liabilities	1,660.16	2,669.76

Categorisation of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
	Borrowings (refer note 15)	6,000.00
Trade payables (refer note 16)	16,782.84	9,099.40
Creditor - capital expenditure (refer note 17)	1,658.01	2,604.82
Interest accrued but not due on borrowings (refer note 17)	-	57.70
Total financial liabilities carried at amortised cost	24,440.85	39,618.87

Note

a) Foreign exchange forward contracts

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

b) The carrying amount of all other financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value.

18. OTHER LIABILITIES

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Advances from customers	-	-	6.69	-
Dues to statutory bodies	2,890.85	1,891.94	1,157.68	450.93
Others	-	-	8.03	3.45
Total other current liabilities	2,890.85	1,891.94	1,172.40	454.38

19. PROVISIONS

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
	₹ Lakhs	₹ Lakhs
Provision for employee benefits (refer note 34)		
Provision for gratuity	92.02	6.17
Provision for compensated absences	31.31	19.89
Provision for super annuation	0.45	-
Total Provisions	123.78	26.06



20. INCOME TAX

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023 :

(a) Current tax asset/liability

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
Opening Balance	0.94	-
Less: Current tax payable for the year	(138.56)	(0.93)
Add: Taxes paid	41.92	1.87
Closing Balance	(95.70)	0.94

The closing balance of current tax asset/liability is net of provision for tax

(b) Deferred Tax asset/liability

The breakup of Deferred tax asset/liability is as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
Deferred Tax Asset - [A]		
Unabsorbed Depreciation	-	251.38
Provisions made disallowed and allowed only on payment basis	189.85	2.21
Others	1.27	-
Deferred Tax Liability - [B]		
Accelerated depreciation for tax purposes	(506.26)	(216.89)
Others	-	(0.23)
Net Deferred Tax Asset/Liability - [A-B]	(315.16)	36.47

Movement in Deferred Tax Assets

Particulars	Charge/ (Credit) to Statement of P&L		Charge/ (Credit) to OCI	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Deferred Tax Asset -				
Unabsorbed Depreciation	251.38	(251.38)	-	-
Provisions made disallowed and allowed only on payment basis	(187.65)	(2.21)	-	-
Deferred Tax Liability -				
Accelerated depreciation for tax purposes	289.39	216.89	-	-
Others	-	-	(1.49)	0.23
Total	353.12	(36.70)	(1.49)	0.23

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
Accounting profit before income tax	2,764.16	(722.42)
Income tax at India's statutory income tax rate of 17.16% (March 31, 2023: 17.16%)	474.33	(123.97)
Expenses not allowed for tax purpose	1.00	87.35
Additional allowances for tax purpose	(1.25)	-
Others	17.60	0.85
Income tax at effective tax rate	491.88	(35.77)

(d) Income tax expense reported in the statement of profit and loss

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
i) Current tax		
Current tax on profit for the year	138.56	0.93
Total current tax expense	138.56	0.93
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	289.39	216.89
Decrease/(Increase) in deferred tax assets	63.73	(253.59)
Total deferred tax expense/(benefit)	353.12	(36.70)
Income tax expense	491.68	(35.77)

(e) Income tax expense reported in the other comprehensive income

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
	₹ Lakhs	₹ Lakhs
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	-	-
Total current tax expense	-	-
ii) Deferred tax		
Fair value of equity investment	-	-
Effective portion of gain/(loss) on cash flow hedges	-	-
Remeasurement gain/(loss) on defined benefit plans	(1.49)	0.23
Total deferred tax expense/(benefit)	(1.49)	0.23
Income tax expense	(1.49)	0.23



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21. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Revenue from Operations		
Sale of products	70,732.46	13,886.41
Other operating revenue		
- Production Linked Incentive	600.00	-
- Scrap Sales	542.98	161.51
Total revenue from operations	71,875.44	14,047.92

Note:

The Company is eligible for claiming incentive under the Production Linked Incentive Scheme of the Government of India for production of Heat Exchangers and Sheet Metal Components. The Company has accrued the benefit on the basis of the claims to be submitted before the due date.

22. OTHER INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Interest income on financial instruments measured at amortised cost		
- Bank deposits	1.02	7.57
- Others	2.37	-
Gain on investment measured at FVTPL	218.72	-
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	-	115.89
Others		
Recovery of Research and Development expenses from holding company (refer note - 32)	151.03	-
Others	5.58	8.51
Total other income	378.72	131.97

23. COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Cost of material consumed	61,832.92	13,592.44
Total cost of raw material and components consumed	61,832.92	13,592.44
Inventories at the end of the year		
Work-in-progress	2,701.39	1,225.45
Finished goods	181.00	317.63
	2,882.39	1,543.08
Inventories at the beginning of the year		
Work-in-progress	1,225.45	-
Finished goods	317.63	-
	1,543.08	-
Changes in inventories of Finished Goods and Work-In-Progress	(1,339.31)	(1,543.08)



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Notes to Financial Statements for the year ended March 31, 2024

24. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Salaries, wages and bonus	2,728.64	651.28
Contribution to provident and other funds (refer note 34)	46.90	9.17
Gratuity expense (refer note 34)	14.37	3.27
Staff welfare expenses	562.48	321.34
Total employee benefits expense	3,352.39	985.06

25. FINANCE COSTS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Interest and finance charges on financial liabilities carried at		
(a) Interest on bank borrowings	791.81	1,183.08
(b) Interest on ICD	463.01	102.01
(c) Interest on MSME	3.68	4.48
(d) Interest on Others	19.36	-
Total Interest	1,277.86	1,289.57
Less: Amount Capitalised	-	(798.72)
Net Interest	1,277.86	490.85
Bank charges	51.70	9.01
	1,329.56	499.86

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Depreciation on Property, plant and equipment (refer note 4)	2,159.81	372.04
Amortisation expense on right of use assets (refer note 5)	13.29	4.70
Amortisation expenses on intangible assets (refer note 6)	19.75	3.44
Total depreciation and amortisation expense	2,192.85	380.18



27. OTHER EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
Stores and spares consumed	482.74	106.76
Power and fuel	571.74	197.17
Rent	50.24	4.52
Repairs and maintenance		
- Buildings	101.60	8.62
- Plant and machinery	121.50	9.99
- Others	35.98	7.22
Insurance	58.96	3.54
Rates and taxes	21.49	17.17
Freight and forwarding charges	-	9.90
Legal and professional fees	86.38	28.42
Travelling and conveyance	99.61	64.54
Printing and stationery	19.08	17.09
Security Charges	91.48	42.10
Telephone & Communication	5.64	4.68
Payment to auditors (refer details A below)	18.64	15.90
Loss on sale of Asset	156.11	
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	61.51	-
Share issue expenses	2.15	268.59
Miscellaneous expenses	29.70	91.48
Recovery of Shared Service expenses by Related party (refer note 32)	107.04	90.20
Total other expenses	2,121.59	987.89

A. Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	₹ Lakhs	₹ Lakhs
As auditor:		
Audit fee	13.60	11.33
Limited review	3.71	3.09
Tax Audit	1.24	1.03
In other capacity:		
Other services	-	0.41
Re-imburement of expenses	0.09	0.04
Total	18.64	15.90



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28. EARNING PER SHARES (EPS)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (loss) attributable to equity holders of the Company (₹ in Lakhs)	2,272.48	(686.69)
Weighted average number of Equity shares (Nos.)	346,088,525	47,476,712
Basic and Diluted Earning Per Share in rupees (Face Value - ₹ 10 per share) (in ₹)	0.66	(1.45)

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



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Notes to Financial Statements for the year ended March 31, 2024

29. 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 recognized 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 recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

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

Employee benefit plans

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

Fair value measurement of financial instruments

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

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. 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.

30. Other Statutory Information

- i. The company neither holds any benami property nor any proceedings have been initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- iii. 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.
- 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 or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi. The company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vii. The company has not been declared as wilful defaulter by any bank, financial institutions or other lender.
- viii. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- ix. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- x. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- xi. The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

31. Code on Social Security, 2020

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 record any related financial impact of the Code in the books of account, in the period(s) in which the Code becomes effective.



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Notes to Financial Statements for the year ended March 31, 2024

32. RELATED PARTY DISCLOSURE

- a) Name of the Related parties where control exists irrespective of whether the transactions have occurred or not.

Related parties where controls exist - Parent Company

Blue Star Limited

Fellow Subsidiary with whom there are transactions

Blue Star Engineering and Electronics Limited

Key Management Personnel

Mr. Vir S. Advani, Director

Mr. B Thiagarajan, Director

Mr. Shashi Arora, Director (Upto March 13, 2024)

Mr. Devidas Vishwambar Kasbekar, Chief Executive Officer

Mr. Sivakumar Ramani, Chief Financial Officer

Ms. Neha Roy, Company Secretary

₹ Lakhs

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
b) Transactions with related party		
Blue Star Limited		
Equity		
Issue of equity shares	41,840.00	7,000.00
Assets		
Purchase of Property, Plant and Equipment	60.24	128.00
Payment towards Capital work-in-progress	747.32	2,194.38
Transfer of loans given to employees	3.25	-
Liabilities		
Transfer of employee liabilities	123.70	-
Income		
Sale of Manufactured Goods	69,135.46	13,127.79
Recovery of Expenses - Research and Development	151.03	-
Recovery of Expenses	12.96	-
Expenses		
Recovery of expenses - Shared Service	120.00	90.20
Re-imbursement of expenses	2.77	-
Corporate Guarantee charges	-	19.36
Interest on inter corporate deposit	191.49	193.00
Purchase of Material	-	154.00
Blue Star Engineering and Electronics Limited		
Expenses		
Interest on inter corporate deposit	272.66	39.24
Purchase of Material	-	24.58



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Notes to Financial Statements for the year ended March 31, 2024

₹ Lakhs

c) Outstanding balances	As at March 31, 2024	As at March 31, 2023
Blue Star Limited		
Balance due -Receivable/(payable)		
Creditors for capital expenditure	(46.07)	(620.60)
Trade Payables	(44.38)	-
Trade Receivables	13,556.08	6,075.37
Blue Star Engineering and Electronics Limited		
Balance due -Receivable/(payable)		
Creditors for capital expenditure/Trade Payables	-	(6.88)
d) Compensation of key managerial personnel	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Short term employee benefits	274.02	43.25

e) Loans from Related Party	As at March 31, 2024	As at March 31, 2023
Blue Star Limited		
Opening	3,500.00	500.00
Loans Received	-	4,500.00
Loans Repaid	(1,000.00)	(1,500.00)
Closing	2,500.00	3,500.00
Blue Star Engineering and Electronics Limited		
Opening	3,500.00	-
Loans Received	3,500.00	3,500.00
Loans Repaid	(3,500.00)	-
Closing	3,500.00	3,500.00
f) Loans to Related Party	As at	As at
	March 31, 2024	March 31, 2023
Devidas Vishambar Kasbekar		
Opening Balance	2.53	-
Loan Recovery	(0.47)	-
Closing Balance	2.06	-

33. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided :-

As at March 31,2024 company had commitments (net of advances) of ₹ 5,632.70 Lakhs

(March 31,2023 - ₹ 2,100.49 Lakhs)



34. EMPLOYEE BENEFITS DISCLOSURE

Defined Benefit Plans

a. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Change in present value of defined benefit obligation

Particulars	Gratuity (unfunded)	
	As at March 31,2024	As at March 31,2023
	₹ Lakhs	₹ Lakhs
Defined benefit obligation at the beginning of the year	6.17	4.24
Current service cost	9.29	2.99
Interest cost	5.08	0.28
Transfer In/Out	62.77	-
Remeasurements		
a. Due to change in demographic assumptions	-	-
b. Due to change in financial assumptions	0.66	(1.84)
c. Due to experience adjustments	8.05	0.50
Defined benefit obligation at the end of the year	92.02	6.17

Particulars	Gratuity (unfunded)	
	For the year ended March 31,2024	For the year ended March 31,2023
	₹ Lakhs	₹ Lakhs
Components of defined benefit cost recognized in Profit or Loss		
Current service cost	9.29	2.99
Interest Cost	5.08	0.28
Defined benefit cost recognized in profit or loss	14.37	3.27

Components of defined benefit cost recognized in Other Comprehensive Income		
b. Due to change in financial assumptions	0.66	(1.84)
c. Due to change in experience adjustments	8.05	0.50
Remeasurements recognized in other comprehensive income (OCI)	8.71	(1.34)

Net liability / (assets) recognized in the balance sheet		
Particulars	Gratuity (unfunded)	
	As at March 31,2024	As at March 31,2023
	₹ Lakhs	₹ Lakhs
Present value of defined benefit obligation	92.02	6.17
Net liability / (assets)	92.02	6.17

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

Actuarial Assumptions	Gratuity (unfunded)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.15%	7.35%
Disability rate	5% of mortality Rate	5% of mortality Rate
Normal retirement age	60 Years	60 Years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate	Management Staff: 7% Others: 3%	7%
Attrition Rate	14% Throughout	14% Throughout



Risk Analysis

Interest Rate Risk: The plan exposes the company to the risk of all interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in the financial statement).

Liquidity Risk: This is the risk that the company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs 20,00,000).

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

Assumptions	Gratuity (unfunded)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Decrease in discount Rate (-/+ 0.5%)	93.79	7.43
Increase in discount Rate (-/+ 0.5%)	90.33	4.96
Decrease in salary Growth Rate (-/+ 0.5%)	90.32	4.95
Increase in salary Growth Rate (-/+ 0.5%)	93.78	7.43
Decrease in attrition Rate (-/+ 50% of attrition rates)	93.98	7.25
Increase in attrition Rate (-/+ 50% of attrition rates)	90.24	5.18
Decrease in Mortality Rate (-/+ 10% of mortality rates)	92.02	6.17
Increase in Mortality Rate (-/+ 10% of mortality rates)	92.02	6.17

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2023-24.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2023-24 is 3 years.

Maturity profile of defined benefit obligation

Expected cash flows over the next (valued on undiscounted basis)	₹ Lakhs
1 year	13.10
2 to 5 years	70.01
6 to 10 years	22.47
More than 10 years	21.49

II. Defined Contribution Plan

a. Provident Fund

The company's contribution to provident fund and other funds aggregating during the year ended March 31, 2024 is ₹ 46.90 Lakhs (March 31, 2023 - ₹ 9.17 Lakhs) recognized in the statement of profit and loss under the head employee benefit expenses (Refer Note 24).

General Description of significant defined plans:

a. 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 five years.

b. Compensated Absences

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

Amount recognized in Balance Sheet

Particulars	Compensated Absences as at	
	March 31, 2024	March 31, 2023
Amount recognized in Balance Sheet	31.31	19.89

Amount recognized in Profit and loss

Particulars	Compensated Absences for the year ended	
	March 31, 2024	March 31, 2023
Amount recognized in Profit and Loss	19.04	19.08



35. CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and owned funds.

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

Gearing Ratio:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings	6,000.00	27,856.95
Less: Cash and cash equivalents	(329.08)	(826.96)
Net Debt	5,670.92	27,029.99
Equity	52,863.45	8,758.19
Gearing Ratio = (Net Debt / Equity) x 100	10.73%	308.63%

36. FINANCIAL RATIOS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reason for variance
Current ratio	1.19	0.73	63.61%	Increase in current ratio is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).
Debt-Equity ratio	0.11	3.18	-96.43%	Decrease in Debt Equity ratio is due to the re-payment of outstanding term loans in FY 2023-24.
Debt Service Coverage Ratio (DSCR)	0.23	0.44	-47.33%	Decrease in Debt Service coverage ratio is due to the re-payment of outstanding term loans in FY 2023-24.
Return on Equity Ratio (ROE)	7.38%	-12.26%	-160.16%	Increase in Return on equity is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).
Inventory turnover ratio (No. of days)	62.67	248.29	-74.76%	
Trade receivables turnover ratio (No. of days)	51.54	166.53	-69.05%	The changes in ratios is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).
Trade payables turnover ratio (No. of days)	75.64	127.58	-40.71%	
Net capital turnover ratio (In times)	14.09	(2.19)	-744.11%	The changes in Net capital turnover ratio is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).
Net profit ratio	3.15%	-4.84%	-164.95%	The changes in Net profit ratio is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).
Return on Capital employed	10.68%	0.43%	2381.60%	The changes in Return on capital employed is due to upscaling of business in the current year (commercial operations commenced from Quarter 4 of FY 2022-23).

Note:

1. Schedule III require explanation where the change in ratio is more than 25% as compared to the preceding year.

Current Ratio = Current Assets / Current Liabilities

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

DSCR = [Earnings before interest and Tax] / [Interest expenses + Principal repayments made during the year for long term loans]

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

Inventory turnover (no. of days) = (Average Inventory for the year) / Cost of Goods Sold for the year X Number of days in reporting year.

Trade Receivable turnover ratio (no. of days) = (Average Debtors for the year) / Turnover for the year X Number of days in reporting year.

Trade payables turnover (no. of days) = (Average Creditors for the year) / COGS for the year X Number of days in reporting year.

Net capital turnover ratio (In times) = (Turnover for the year) / Working Capital

Net profit ratio (%) = (Profit/Loss) for the year / Total income X 100

Return on capital employed (%) = EBITDA i.e. (Profit before tax) + Finance charges + Depreciation) / Capital employed

Capital Employed = (Total Equity + Non Current Borrowings + Current Borrowings) X 100



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Financial Statements for the year ended March 31, 2024

37. DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE

The Company has a forex risk management policy that ensures proactive and regular monitoring and managing of foreign exchange exposures. Financial risks relating to changes in exchange rates are mitigated 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 recognized in the Profit or Loss. Commodity risk is mitigated by entering into annual rate contracts with major suppliers which are 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

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in lakhs)	₹ Lakhs	Amount in Foreign Currency (in lakhs)	₹ Lakhs
Particulars of Forward Contract				
Forward cover to Purchase				
Forward cover against underlying payables (including commitments)				
- CNY/RMB	174.97	2,009.14	137.04	1,637.30
- JPY	383.96	211.45	-	-
- USD	38.98	3,251.32	17.06	1,401.82

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

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount in Foreign Currency (in lakhs)	₹ Lakhs	Amount in Foreign Currency (in lakhs)	₹ Lakhs
Payables				
CNY/RMB	-	-	-	-
EUR	-	-	0.05	4.11
JPY	381.71	210.21	324.78	200.06
USD	-	-	-	-

The above table does not include foreign currency exposure covered by derivative contracts as stated in (a) above although not specifically in hedge relationships.

38. FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2024					As at March 31, 2023				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets										
Investments (refer note 7)	2,891.15	-	-	2,891.15	2,891.15	-	-	-	-	-
Loans (refer note 8)	-	-	17.40	17.40	17.40	-	-	9.11	9.11	9.11
Other financial assets (refer note 8A)	-	-	687.37	687.37	687.37	-	-	77.64	77.64	77.64
Trade receivables (refer note 10)	-	-	13,833.59	13,833.59	13,833.59	-	-	6,409.47	6,409.47	6,409.47
Cash & bank balances (refer note 11)	-	-	329.08	329.08	329.08	-	-	826.96	826.96	826.96
	2891.15	-	14867.44	17758.59	17758.59	-	-	7323.18	7323.18	7323.18
Financial Liabilities										
Borrowings (refer note 15)	-	-	6,000.00	6,000.00	6,000.00	-	-	27,856.95	27,856.95	27,856.95
Trade payables (refer note 16)	-	-	16,782.84	16,782.84	16,782.84	-	-	9,099.40	9,099.40	9,099.40
Creditor - capital expenditure (refer note 17)	-	-	1,658.01	1,658.01	1,658.01	-	-	2,604.82	2,604.82	2,604.82
Interest accrued but not due on borrowings (refer note 17)	-	-	-	-	-	-	-	57.70	57.70	57.70
	-	-	24,440.85	24,440.85	24,440.85	-	-	39,618.87	39,618.87	39,618.87

39. FAIR VALUE HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy as at March 31, 2024:

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
		₹ Lakhs	₹ Lakhs	₹ Lakhs
Assets measured as fair value :				
- Investments in Mutual Funds (refer note 7)	March 31, 2024	2,891.15	-	2,891.15
Derivatives not designated as hedges				
- Foreign exchange forward contracts (refer note 17)	March 31, 2024	2.15	-	2.15

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

Quantitative disclosures fair value measurement hierarchy as at March 31, 2023 :

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
		₹ Lakhs	₹ Lakhs	₹ Lakhs
Derivatives not designated as hedges (refer note 17)				
- Foreign exchange forward contracts	March 31, 2023	7.24	-	7.24

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

Fair value hierarchy of financial assets and liabilities measured at fair value :

Valuation technique used to determine fair value :

1. Level - 2 :

Mutual Fund - Quoted price in the active market

Derivative Instrument - Mark to market on forward covers is based on forward exchange rates at the end of reporting period.



40. FINANCIAL RISK MANAGEMENT OBJECTIVE & POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange-related risk exposures.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: Currency risk and interest rate risk. Financial instruments affected by market risk include borrowings, trade payables, trade receivables, loans, and derivative financial instruments.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilizing foreign exchange forward contracts.

The following table demonstrates the foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31, 2024				As at March 31, 2023			
	Trade payable/ Capital Creditors in foreign currency (In Lakhs)	Hedging in foreign currency (In Lakhs)	Net exposure in foreign currency (In Lakhs)	Net exposure (₹ Lakhs)	Trade payable/ Capital Creditors in foreign currency (In Lakhs)	Hedging in foreign currency (In Lakhs)	Net exposure in foreign currency (In Lakhs)	Net exposure (₹ Lakhs)
Foreign Currency								
CNY/RMB	94.43	174.97	-	-	-	-	-	-
EUR	-	-	-	-	0.05	-	0.05	4.11
JPY	765.67	383.96	381.71	210.21	324.76	-	324.76	200.06
USD	23.16	38.98	-	-	-	-	-	-

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

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
JPY	+5%	(10.51)	(10.00)	(8.71)	(8.29)
	-5%	10.51	10.00	8.71	8.29
EUR	+5%	-	(0.21)	-	(0.17)
	-5%	-	0.21	-	0.17

Commodity price risk

The Company is subject to fluctuations in prices for the purchase of copper, aluminium, and other raw material inputs. The Company purchased primarily all of its copper and aluminium requirements at prevailing market rates during the year ended March 31, 2024.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

The following table demonstrates the commodity exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In lakhs)	Quantity (MT)	Amount (₹ In lakhs)	Quantity (MT)	Amount (₹ In lakhs)
Copper	434.95	3,478.69	-	-	434.95	3,478.69
Aluminium	200.96	616.87	-	-	200.96	616.87

Particulars	As at March 31, 2023					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In lakhs)	Quantity (MT)	Amount (₹ In lakhs)	Quantity (MT)	Amount (₹ In lakhs)
Copper	189.62	1,411.60	-	-	189.62	1,411.60
Aluminium	198.56	657.59	-	-	198.56	657.59

The following table demonstrates the Group's sensitivity to a 5% movement in the price of copper and aluminium.

Particulars	Change in commodity rate	Effect on profit before tax		Effect on equity	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
		₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Copper	-5%	(173.93)	(70.58)	(144.09)	(58.47)
	+5%	173.93	70.58	144.09	58.47
Aluminium	-5%	(30.84)	(32.88)	(30.84)	(27.24)
	+5%	30.84	32.88	30.84	27.24



Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company has exposure to the future cash flows resulting from change in interest rate as the Company's net obligations carries variable interest rate. Interest rate change does not affect significantly to the company.

Credit Risk

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

1. Financial instruments and cash deposits

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

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors the rolling forecast of its liquidity position based on expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all points in time. The Company has sufficient short-term fund-based lines, which provide healthy liquidity and these carry the highest credit quality rating from a reputed credit rating agency.

The table below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2024			
	Less than 1 year	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	6,000.00	-	-	6,000.00
Trade Payables	16,782.84	-	-	16,782.84
Other financial liabilities	1,660.16	-	-	1,660.16
Interest on borrowings	-	-	-	-
Total	24,443.00	-	-	24,443.00

Particulars	As at March 31, 2023			
	Less than 1 year	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	11,683.39	16,173.56	-	27,856.95
Trade Payables	9,099.40	-	-	9,099.40
Other financial liabilities	2,612.06	-	-	2,612.06
Interest on borrowings	57.70	-	-	57.70
Total	23,452.55	16,173.56	-	39,626.11

41. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS

1. Disaggregation of revenue:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 by offerings and contract-type. The Company believes 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 type of contract	For the year ended March 31, 2024			For the year ended March 31, 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
	Unitary Products	71,875.44	-	71,875.44	14,047.92	-
Total	71,875.44	-	71,875.44	14,047.92	-	14,047.92

2. Reconciliation of contracted price with the revenue recognised in statement of profit or loss:

Particulars	₹ Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products at transaction price	71,876.27	14,047.92
Reductions towards variable consideration components*	(0.83)	-
Revenue recognised in profit & loss	71,875.44	14,047.92

* Reduction towards variable consideration components include discounts, service level credits, etc.

42. LEASES

Disclosure as per the requirement of Ind AS 116

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	₹ Lakhs	
	As at March 31, 2024	As at March 31, 2023
Right-of-use assets	1,291.15	523.23

Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	₹ Lakhs	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Amortization of right-of-use assets	26	13.29	4.70
Expense relating to short term lease not included in lease liabilities	27	50.24	4.52

43. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.



44. PREVIOUS YEAR COMPARATIVES

Figures for the previous year have been regrouped/reclassified where necessary to confirm the current year classification.

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

B. Thiagarajan
Director
DIN: 01790498

Vir S. Advani
Director
DIN: 01571278

Devidas V Kasbekar
Chief Executive Officer

Sivakumar Ramani
Chief Financial Officer

Neha Roy
Company Secretary

Date: April 23, 2024
Place: Mumbai

