BSL AC&R (SINGAPORE) PTE. LTD.

Financial Statement for the year ended March 31, 2024

BSL AC&R (SINGAPORE) PTE. LTD.

Co. Reg. No: 202026252W
(Incorporated in Singapore)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

JCPartners PAC
CHARTERED ACCOUNTANTS OF SINGAPORE

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of BSL AC&R (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Balasubramanian Thiagarajan
Vir Suneel Advani
Wong Ying Cheeng
Dawood Bin Ozair
Nikhil Sohoni

Arrangements to enable directors to acquire shares or debentures

During and as at end of financial year, the Company was not a party to any arrangement, the object of which was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under section 164 of the Companies Act 1967, none of the directors who held office the end of the financial year had any interest in shares of the Company and its related corporations, except as follows:

	Shareholding registered in name of director		Shareholding in which director is deemed to have an interest	
	As at 1/4/2023	As at 31/3/2024	As at 1/4/2023	As at 31/3/2024
	Ordinary shares		Ordinary shares	
Ultimate holding company: Blue Star Limited				
Balasubramanian Thiagarajan	72,800	72,800	-	-
Vir Suneel Advani	1,074,625	2,149,250	100,000	200,000

Dawood Bin Ozair.

BSL AC&R (SINGAPORE) PTE. LTD.
202026252W

Share options

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares in the Company; and

(b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditor

JCPartners PAC has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

BSL AC&R (SINGAPORE) PTE. LTD.
202026252W

Dawood Bin Ozair
Director

Nikhil Sohoni
Director

Singapore, 22 April 2024

JCPartners PAC
CHARTERED ACCOUNTANTS OF SINGAPORE

101 Thomson Road
#14-02/03United Square
Singapore 307591
Tel: (65) 6325 3859
Fax: (65) 6325 3858

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSL AC&R (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

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 in the 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Responsibilities of Management and Directors for the Financial Statements - continued

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

JCPARTNERS PAC
Public Accountants and Chartered Accountants
Singapore

Singapore, 22 April 2024

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Statement of Financial Position as at 31 March 2024

	Note	2024	2023
		US$	US$
EQUITY			
Share capital	4	2,788,553	2,788,553
Accumulated losses		(39,771)	(57,992)
Total equity		2,748,782	2,730,561
REPRESENTED BY:			
NON-CURRENT ASSET			
Investment in a joint venture	5	2,713,846	2,713,846
CURRENT ASSETS			
Trade receivable	6	122,165	70,074
Prepayments		1,894	1,137
Cash and cash equivalents	7	33,509	36,341
		157,568	107,552
LESS: CURRENT LIABILITIES			
Trade payables	8	106,990	80,853
Other payables	9	15,642	9,984
		122,632	90,837
Net current assets		34,936	16,715
Total net assets		2,748,782	2,730,561

The accompanying notes form an integral part of these financial statements.

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Statement of Comprehensive Income for the financial year ended 31 March 2024

	Note	2024	2023
		US$	US$
Revenue	10	495,524	310,760
Cost of goods sold		(439,865)	(273,669)
Gross profit		55,659	37,091
Other operating expenses		(37,438)	(28,533)
Profit before taxation	11	18,221	8,558
Income tax expense	12	-	-
Profit for the year, representing total comprehensive income for the financial year		18,221	8,558

The accompanying notes form an integral part of these financial statements.

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Statement of Changes in Equity for the financial year ended 31 March 2024

	Share capital	Accumulated losses	Total
	US$	US$	US$
Balance as at 1 April 2022	2,788,553	(66,550)	2,722,003
Proft for the year, representing total comprehensive loss for the financial year	-	8,558	8,558
Balance as at 31 March 2023	2,788,553	(57,992)	2,730,561
Profit for the year, representing total comprehensive income for the financial year	-	18,221	18,221
Balance as at 31 March 2024	2,788,553	(39,771)	2,748,782

The accompanying notes form an integral part of these financial statements.

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Statement of Cash Flows for the financial year ended 31 March 2024

	Note	2024	2023
		US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before taxation, representing operating cash flows before working capital changes		18,221	8,558
Changes in working capital:			
Trade receivable		(52,091)	6,586
Prepayments		(757)	3
Trade payables		26,137	(45,401)
Accruals		5,658	(1,378)
Net cash used in operating activities		(2,832)	(31,632)
Net change in cash and cash equivalents		(2,832)	(31,632)
Cash and cash equivalents at beginning of financial year		36,341	67,973
Cash and cash equivalents at end of financial year	7	33,509	36,341

The accompanying notes form an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS - 31 March 2024

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a private limited liability company domiciled and incorporated in the Republic of Singapore. Its registered office is located at 101 Thomson Road, #14-02/03 United Square, Singapore 307591.

The Company's immediate holding company is Blue Star International FZCO, a company incorporated in Dubai Airport Free Zone, United Arab Emirates. The Company's ultimate holding company is Blue Star Limited, a company incorporated in India and the shares are listed on National Stock Exchange of India Limited and BSE Limited (formerly known as Bombay Stock Exchange).

The principal activity of the Company is to carry on the business of air-conditioning, ventilations & air filtration systems installation & maintenance, electro-mechanical equipment installation and maintenance, plumbing & sanitary contracting, electrical fitting contracting and air condition & refrigeration spare parts trading, building contracting, districts cooling plant contracting and/or any ancillary activities.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements expressed in United States Dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) Adoption of new and revised FRSs

On 1 April 2023, the Company adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of the new and revised FRSs and INT FRSs did not result in any substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

(c) New FRS, INT FRSs and Amendments to FRSs

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2024 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised standards and FRS interpretations will have no material impact on the financial statements of the Company in the period of their initial application.

2. MATERIAL ACCOUNTING POLICIES - continued

(d) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(e) Joint Arrangement

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Company with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Company with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Company account for its investments in joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Company's share of losses in an joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in joint ventures. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

(f) Non-consolidation

Pursuant to FRS28 *Investment in Associates and Joint Ventures*, the Company is exempted to apply the equity method to its investment in a joint venture as the Company is a wholly-owned subsidiary corporation of Blue Star Limited. Consolidated financial statements incorporating the financial statements of the Company and its investment in a joint venture are prepared by the ultimate holding company, Blue Star Limited, a company incorporated in India and having its registered office at Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400 020.

2. MATERIAL ACCOUNTING POLICIES - continued

(g) Financial Assets

(i) *Classification and measurement*

The Company classifies its financial assets in the following measurement categories:

- at fair value through other comprehensive income ("FVOCI");
- at fair value through profit or loss ("FVPL"); or
- at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company's financial asset measured at amortised cost include trade receivable and cash and cash equivalents.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement - Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

(ii) *Impairment of financial assets*

The Company assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its assets carried at amortised cost and debt instruments measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on financial assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iii) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instruments, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2. MATERIAL ACCOUNTING POLICIES - continued

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amounts at which they are convertible into cash.

(i) Impairment of Non-Financial Asset

The carrying amount of the Company's non-financial asset is reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss is charged to profit or loss unless it reverses a previous revaluation credited to equity, in which case it will be charged to equity. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(j) Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements governing the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

The Company's financial liabilities measured at amortised cost include trade payables and other payables, which are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

(k) Provisions

Provisions are recognised when the Company has present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present value obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. MATERIAL ACCOUNTING POLICIES - continued

(l) Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is an amount that reflects the consideration the Company expects to receive in exchange for those goods sold.

(m) Taxation

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current tax assets and liabilities for the current year is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the report date.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

(n) Foreign Currency Transactions

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements of the Company are presented in United States Dollars, which is also the functional currency of the Company.

Foreign currency transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting period are translated at exchange rates ruling at that date. Foreign currency exchange differences arising from translation are recognised in the statement of comprehensive income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the entity's accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

Impairment on investment in a joint venture

When a joint venture is in net equity deficit and has suffered operating losses, a test is made whether the investment in the joint venture has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the joint venture, and the financial health of and near term business outlook for the joint venture, including factors such as industry and sector performance, and operational and financing cash flow.

Allowance for expected credit losses

The Company makes allowances for expected credit losses based on an assessment of the recoverability of receivables. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and 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.

4. SHARE CAPITAL

	2024	2023	2024	2023
	No. of shares		US$	US$
Issued and fully paid (no par value):				
Balance as at beginning and end of financial year	3,805,001	3,805,001	2,788,553	2,788,553

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

5. INVESTMENT IN A JOINT VENTURE

	2024	2023
	US$	US$
Unquoted investment – at cost	2,713,846	2,713,846

Details of the joint venture is as follows:

Name of company	Principal activity	Country of incorporation/ Place of business	Percentage of shareholding 2024 %	Percentage of shareholding 2023 %
Blue Star M&E Engineering Sdn. Bhd.	Engaged in the field of mechanical, electrical and plumbing contracting which include operation and maintenance of heating, ventilation and air conditioning	Malaysia	49	49

The financial statements of the above joint venture were audited by other firms of auditors.

The directors are of the opinion that the carrying amount of investment in a joint venture as at the end of the financial period is realisable and there is no indication of impairment of the investment.

6. TRADE RECEIVABLE

	2024	2023
	US$	US$
Third party	122,165	70,074

Trade receivable is non-interest bearing and is generally on 45 days' term.

The ageing analysis of trade receivable is not past due and not impaired.

Trade receivable is denominated in United States Dollars.

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

7. CASH AND CASH EQUIVALENTS

	2024	2023
	US$	US$
Cash at bank	33,509	36,341

Cash and cash equivalents are denominated in United States Dollars.

8. TRADE PAYABLES

	2024	2023
	US$	US$
Third parties	106,990	80,853

Trade payables are non-interest bearing and are generally on 90 days' term.

Trade payables are denominated in United States Dollars.

9. OTHER PAYABLES

Other payables are denominated in the following currencies:

	2024	2023
	US$	US$
United States Dollars	6,885	1,016
Singapore Dollars	8,757	8,968
	15,642	9,984

10. REVENUE

	2024	2023
	US$	US$
Revenue recognised at a point in time:		
Sales of refrigeration and air-conditioner products	495,524	310,760

11. PROFIT BEFORE TAXATION

This is stated after charging the following items which have not been otherwise disclosed in the statement of comprehensive income:

	2024	2023
	US$	US$
Legal and professional fees	9,020	8,730

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

12. INCOME TAX EXPENSE

	2024	2023
	US$	US$
Income tax expense	-	-
Reconciliation of tax:		
Profit before taxation	18,221	8,558
Taxation at statutory tax rate of 17%	3,098	1,455
Tax effects of:		
Utilisation of deferred tax assets not recognised in prior years	(2,044)	(1,455)
Tax exemption	(791)	-
Others	(263)	-
	-	-

At the end of the reporting period, the Company has unutilised tax losses amounting to approximately Nil (2023: US$12,000) available for set-off against future taxable income, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets arising from these tax losses are not recognised in the financial statements due to the uncertainty of future taxable profits being available against which the tax losses can be utilised.

13. RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, significant related party transactions during the year are as follows:

	2024	2023
	US$	US$
With ultimate holding company		
Purchases	-	14,656
With immediate holding company		
Purchases	-	25,236

Related party transactions are based on terms agreed between the parties which are at arm’s length price.

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table summarises the carrying amount of financial asset and financial liabilities recorded at the end of the reporting period:

	2024	2023
	US$	US$
Financial asset measured at amortised cost		
Trade receivable	122,165	70,074
Cash and cash equivalents	33,509	36,341
	155,674	106,415
Financial liabilities measured at amortised cost		
Trade payables	106,990	80,853
Other payables	15,642	9,984
	122,632	90,837

15. FINANCIAL RISK AND CAPITAL MANAGEMENT

(a) Financial Risk Management Policies and Objectives

The main risk arising from the Company's financial statements are credit risk, foreign currency risk and liquidity risk. The directors review and agree on policies for managing each of the risks and they are summarised below:

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not require collateral in respect of trade and other receivables. At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivable

The Company has not recognised any allowance as these receivables are considered to be a low risk and subject to immaterial credit loss. The loss allowance is measured at an amount equal to 12-month ECL.

Cash and cash equivalents

Bank balances are maintained with financial institutions with high credit rating. The cash and cash equivalents are subject to immaterial credit loss and is measured based on 12-month credit losses model.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk from certain currency exposures. The Company monitors foreign currency exchange rates movements closely to ensure that their exposures are minimised.

At the end of the reporting period, no foreign currency sensitivity analysis is prepared as impact to the financial statements is not significant.

15. FINANCIAL RISK AND CAPITAL MANAGEMENT - continued

(a) Financial Risk Management Policies and Objectives - continued

(iii) Liquidity risk

Liquidity or funding risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flow.

The Company has uncommitted secured Letter of Credit ("LC") facilities in total of US$1 million, which are secured by the corporate guarantee from the ultimate holding company. At the end of the reporting period, the Company's trade payables of are subject to the LC arrangement.

No liquidity risk analysis is presented as all financial liabilities are repayable within one year.

(b) Capital Management

The Company's objectives when managing capital are:

(i) To safeguard the Company's ability to continue as going concerns;

(ii) To support the Company's stability and growth; and

(iii) To provide capital for the purpose of strengthening the Company's risk management capability.

The Company regularly reviews and manages its capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company currently does not adopt any formal dividend policy.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from the previous financial years.

(c) Fair Values

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the relatively short term maturiy of these financial instruments.

16. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended 31 March 2024 were authorised for issue in accordance with a directors' resolution on the date of the Directors' Statement.

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

BSL AC&R (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Detailed Income Statement for the financial year ended 31 March 2024

	2024	2023
	US$	US$
Revenue	495,524	310,760
Less: Cost of sales		
Purchases	437,631	251,443
Freight charges	2,234	22,226
	439,865	273,669
Gross profit	55,659	37,091
Less: Operating expenses		
Accounting fee	8,030	7,871
Audit fee	3,673	3,768
Commission	5,610	-
Bank charges	5,765	4,909
Corporate secretarial fee	2,225	603
Foreign exchange loss, net	155	79
General expense	112	146
Legal and professional fees	9,020	8,730
Postage and courier	1,158	839
Printing and stationery	938	837
Subscription fee	325	319
Tax fee	226	237
Travelling	201	195
	37,438	28,533
Profit before taxation	18,221	8,558