

BOARD'S REPORT

Your Directors have pleasure in presenting its 15th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

(Rs in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Income	383.61	396.02
Profit/ (Loss) before depreciation, amortization, taxation and financing cost	56.41	65.94
Financing cost	0.55	0.76
Depreciation and amortization	2.83	2.45
Profit/ (Loss) before tax	53.03	62.73
Taxes:		
i) Current Tax	13.18	16.45
ii) Deferred Tax	(0.32)	(0.06)
Profit/ (Loss) after tax	40.17	46.37
Other Comprehensive Income (Net off expenses)	0.07	(0.09)

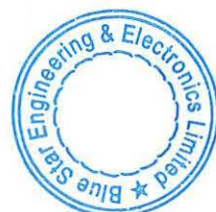
REVIEW OF OPERATIONS

The highlights of the Company's performance during the year under review are as under:

- Total revenue of the Company was Rs 383.61 crores, as against its previous year's revenue of Rs 396.02 crores.
- The Company has reported a net profit of Rs 40.17 crores for the year under review, as against Rs 46.37 crores in the previous year.

DIVIDEND

Your Company has not declared any Dividend for the Financial Year ended March 31, 2025.



DIRECTORS

Retire by rotation

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr Arvind Balaji (DIN: 00557711) and Mr Vikram Nirula (DIN: 01655115) Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 203 of the Companies Act, 2013, the following personnel have been designated as the Key Managerial Personnel of the Company:

Name	Designation
Prem Kalliath	Chief Executive Officer
Yogesh Joshi	Chief Financial Officer and Company Secretary

SUBSIDIARY AND JOINT VENTURE

Your Company is a wholly owned material subsidiary of Blue Star Limited, and it does not have any subsidiary company or joint venture.

DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

INTERNAL CONTROLS

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. In addition, the Internal Audit function monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations. Periodical reports on the same are also presented to the Board.

During the year, the internal controls were tested and found effective, as a part of the Management's control testing initiative.

Accordingly, the Board and the Auditors are of the opinion that the Company's Internal Financial Controls were adequate and operating effectively for the Financial Year ended March 31, 2025.



RISK MANAGEMENT

The Company has risk management systems to identify and mitigate the elements of risk which may threaten the existence of the Company. The system supports all the processes of identifying, qualifying and mitigating risks in an interactive and transparent manner.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on the Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure 1**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 5 meetings of the Board of Directors were held on April 23, 2024, July 24, 2024, October 25, 2024, January 16, 2025, and March 11, 2025, respectively. The gap between the meetings was within the limits as prescribed under Section 173 of the Companies Act, 2013.

BOARD COMMITTEES

a) Corporate Social Responsibility Committee

The CSR Committee has been constituted in accordance with the requirements of Section 135 of the Companies Act, 2013.

As on March 31, 2025, the Committee comprised two Directors:

- B Thiagarajan, Chairman
- Prem Kalliath, Member

During the year under review, the CSR Committee meetings were held on April 22, 2024, October 25, 2024, and January 16, 2025.

b) Audit Committee and Nomination and Remuneration Committee

Pursuant to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meeting of the Board and its Powers) Rules 2014, your Company, being a wholly owned subsidiary is exempted from the requirement of constituting Audit Committee and Nomination and Remuneration Committee.



CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the Financial Year were on arm's length basis and in ordinary course of business. All related party transactions are approved by the Board. There are no material transactions with any related party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of transactions with the related parties are provided in the notes to the Financial Statement.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 as may be applicable, are given in the notes to the Financial Statement.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, hereby confirm that:

- a. In the preparation of the Annual Accounts for Financial Year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit of the Company for that period;
- c. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts for the year ending March 31, 2025, on a going concern basis; and
- e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are



required to be annexed to the Board's Report. In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

STATUTORY AUDITORS

The Company's existing Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed by the Members at the 13th Annual General Meeting (AGM) of the Company, for a year of 5 years, to hold office until the conclusion of the 18th AGM to be held for FY 2027-28.

AUDITORS' REPORT

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements. There is no qualifications, reservations, or adverse remarks given by the Auditors in their report.

COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

SECRETARIAL AUDITOR

In terms of the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s N L Bhatia & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for conducting the secretarial audit of your Company for the financial year ended March 31, 2025.

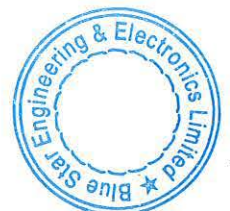
The Secretarial Audit Report given by M/s N L Bhatia & Associates, Practicing Company Secretaries, has been provided in **Annexure 3** to this Report. The Secretarial Audit Reports mentioned above does not contain any qualification, reservation, or adverse remark.

SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards.

INTERNAL AUDITORS

In terms of provisions of Section 138 of the Act read with Companies (Account) Rules, 2014, the Company has appointed M/s Grant Thornton Bharat LLP, Chartered Accountants, as the Internal Auditors.



DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2024-25.

ANNUAL RETURN

The annual return of the Company has been uploaded on the Company's website at: <https://bluestar-ee.com/wp-content/uploads/2025/06/BSEELMGT7FY25.pdf>

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

During the year under review, the Company was required to spend an amount of Rs 95,31,024/- towards activities as stipulated under Schedule VII of the Act. The Company has spent an amount of Rs 95,31,325/- towards various CSR initiatives.

A brief outline of the CSR policy and the initiative undertaken by the Company on CSR activities during the year are set out in **Annexure 2** of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

OTHER DISCLOSURES

- There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year under review and the date of this report.
- There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in the future.
- Your Company has not issued any shares with differential voting rights.
- Your Company has not issued any sweat equity shares.
- There was no revision in the Financial Statements.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep and sincere gratitude towards the Government of India and other regulatory authorities. The Directors thank the financial institutions and banks associated with the Company for their

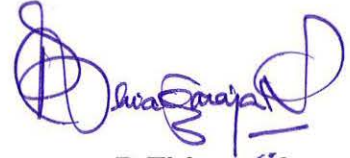


support as well. Shareholders' involvement and employees' contribution are greatly valued. The Directors look forward for their continuing support and encouragement.

For and on behalf of the Board of Directors



Vir S Advani
Director
(DIN:01571278)



B Thiagarajan
Director
(DIN:01790498)

Date : April 23, 2025
Place : Mumbai

ANNEXURE 1**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Rule 8 of Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

- i) Steps taken or impact on energy conservation: NA
- ii) Steps taken for utilizing alternate sources of energy: NA
- iii) Capital Investment on energy conservation equipment: NA

(B) TECHNOLOGY ABSORPTION

- i) Efforts made towards technology absorption: Nil
- ii) Outcome and Benefits: NA
- iii) Information regarding imported technology (imported during last 3 years):
NA
- iv) Expenditure incurred in R&D: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings and outgo:

(Rs in crores)

Particulars	2024-25	2023-24
Total foreign exchange earnings	42.99	32.67
Total foreign exchange outgo	36.75	23.36

For and on behalf of the Board of Directors

**Vir S Advani**
Director
(DIN:01571278)**B Thiagarajan**
Director
(DIN:01790498)

Date : April 23, 2025

Place : Mumbai

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. A brief outline of the CSR policy of the Company:

The Company's CSR Committee determines the CSR activities to be undertaken, and the Company pursues such activities over a considerable period of time (minimum 2 or 3 years), in order to create long term and sustainable impact in the areas that it works in.

Some points outlined in the Company's CSR policy are as follows:

1. Contribution towards promoting affordable health care for the community through recognised charitable hospitals/trusts.
2. The Committee may consider supporting other deserving causes in poverty alleviation and others.
3. The Committee will consider support of specific projects in case of natural calamities, based on available budgets.
4. The Committee proposed to involve Company employees in these CSR activities, so as to give them a sense of purpose beyond the commercial, as well as to build pride in the Company.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	B Thiagarajan	Chairman	3	3
2	Prem Kalliath	Member	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://www.bluestarindia.com/media/254594/csr-policy-bseel.pdf>

<https://www.bluestar-ee.com/wp-content/uploads/2024/05/BSEEL-CSR-Projects-FY-2024-25.pdf>



4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. (a) Average net profit of the Company as per sub-section (5) of section 135: Rs 47,65,51,187
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs 95,31,024
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not applicable
- (d) Amount required to be set off for the financial year, if any: Not applicable
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs 95,31,024
6. (a) Amount spent on CSR Projects (both ongoing Project and other than Ongoing Project): Rs 95,31,325
- (b) Amount spent in Administrative Overheads: Not applicable
- (c) Amount spent on Impact Assessment, if applicable: Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs 95,31,325
- (e) CSR amount spent or unspent for the Financial Year: Not applicable

Total Amount Spent for the Financial Year (Rs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (Rs in crores)	Date of transfer	Name of the Fund	Amount	Date of transfer
95,31,325	Nil	-	-	-	-

- (f) Excess amount for set-off, if any: Nil
7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

No

If yes, enter the number of Capital assets created/acquired

Furnish the details related to such assets(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the Average Net Profit as per sub-section (5) of section 135: Not applicable



B Thiagarajan
Chairman
Corporate Social Responsibility Committee
(DIN: 01790498)



Prem Kalliath
Director & Chief Executive
Officer
(DIN: 07249861)

Date : April 23, 2025
Place : Mumbai

SECRETARIAL AUDIT REPORT

**To,
The Members,
Blue Star Engineering & Electronics Limited**

Our Report of even date is to be read along with this Letter.

- 1) Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- 2) We have followed the Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For N L BHATIA & ASSOCIATES

Practicing Company Secretaries

UIN: P1996MHO55800

PR No:6392/2025

**Bharat Upadhyay
Partner**

FCS: 5436

CP. No. 4457

DATE: April 23, 2025

PLACE: MUMBAI

UDIN: F005436GO00177553

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
[Pursuant to Section - 204(1) of the Companies Act, 2013 and Rule No. - 9
of the Companies (Appointment and Remuneration of Managerial
Personnel) Rules, 2014]

To,
The Members,
Blue Star Engineering & Electronics Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Blue Star Engineering & Electronics Limited** (“hereinafter called the **Company**”). Secretarial Audit in accordance with Auditing Standard issued by Institute of Company Secretaries of India (ICSI) was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and Authorised Representatives during the conduct of Secretarial Audit, we, hereby, report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** according to the provisions of:

1. The Companies Act, 2013 (“**the Act**”) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the rules made thereunder - **Not Applicable**.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder -**Not Applicable**.
4. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 - **Not Applicable**.

5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. - **Not Applicable.**
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") - **Not Applicable.**
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
 - (g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
7. Other applicable Laws as per list attached as "**Annexure - A**" to this Report.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting. The Company has complied with the Secretarial Standards in respect of the Meetings of its Members, Board and its Committee.

There also exists a system of recording any dissent expressed by any director in the meeting, however all the decisions have been taken unanimously at the Board Meetings and with requisite majority at the General Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the period under review,

1. The Company has pursuant to approval of the Board dated July 24, 2024, undertaken sale of Office Premises situated in Mumbai to 3P Investment Managers Private Limited for a total consideration of Rs 19,00,00,000/- (Rupees Nineteen Crores) which was based on the valuation carried on by an Independent Valuer.
2. The Company has with the consent of the Board of Directors, granted Inter Corporate Deposit(s) ('ICD') to Blue Star Climatech Limited, (wholly owned subsidiary of Blue Star Limited). As per the Board approval, ICD up to the extent of Rs 100 Crores (Rupees One Hundred Crores only) maybe granted in one or more tranches on such terms and conditions as may be mutually agreed by the Company and Blue Star Climatech Limited.
3. The Company has with the consent of the Board of Directors, granted Inter Corporate Deposit(s) ('ICD') to Blue Star Limited, (Holding Company). As per the Board approval, ICD up to the extent of Rs 200 Crores (Rupees One Hundred Crores only) maybe granted in one or more tranches on such terms and conditions as may be mutually agreed by the Company and Blue Star Limited.
4. No Winding up Petition has been filed against the Company, impacting the going concern status.

For N L BHATIA & ASSOCIATES

Practicing Company Secretaries

UIN: P1996MHO55800

PR No:6392/2025

Bharat Upadhyay

Partner

FCS: 5436

CP. No. 4457

DATE: April 23, 2025

PLACE: MUMBAI

UDIN: F005436GO00177553

ANNEXURE - A**LIST OF OTHER APPLICABLE LAWS**

(Including statutory amendments made thereto or amendments thereof for the time being in force)

1. Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and Rules thereunder, including statutory amendments made thereto.
2. Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation and Abolition) Central Rules, 1971, and applicable State Rules.
3. Employee's State Insurance Act, 1948, and Employees' State Insurance (Central) Rules, 1950, and Employees' State Insurance (General) Regulations, 1950.
4. The Apprentice Act, 1961.
5. Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and Employees' Provident Fund Scheme, 1952, and Employees' Pension Scheme, 1995, and Employees' Deposit Linked Insurance Scheme, 1976.
6. Payment of Wages Act, 1936.
7. Equal Remuneration Act, 1976, and Equal Remuneration Rules, 1976.
8. Maternity Benefit Act, 1961, and applicable state rules.
9. Payment of Bonus Act, 1965, and Payment of Bonus Rules, 1975.
10. Payment of Wages Act, 1936, and Payment of Wages (Nomination) Rules, 2009, and applicable State Rules.
11. Minimum Wages Act, 1948, and Minimum Wages Rules, 1950, and applicable State Rules.
12. Payment of Gratuity Act, 1972, and applicable State Rules.
13. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and Rules thereunder.
14. Income Tax Act, 1961, Central Goods and Services Tax Act, 2017; State Acts covering Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder.
15. Any other Central and State Acts and Rules made thereunder, as may be applicable)

INDEPENDENT AUDITOR'S REPORT

To The Members of Blue Star Engineering & Electronics Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Blue Star Engineering & Electronics Limited** (the "Company"), which comprise the Balance Sheet as at March 31st, 2025, 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 the 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 31st, 2025, 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 ("SA"s) 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 Directors 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.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 are 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 is 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.
- 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.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes



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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 31st, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company 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, 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, no funds have been received by the Company from any



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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.

- (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 systems for maintaining its books of account for the financial year ended March 31st, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
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 Haskin & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ketan Vora
Partner
Membership No. 100459
UDIN: 25100459BMMHLC2879

Place: Mumbai
Date: May 5, 2025



**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 Electronics and Engineering Limited (the "Company") as at March 31st, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.



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.

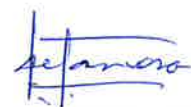
Inherent Limitations of Internal Financial Controls with reference to financial statements

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 31st, 2025, 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 Haskin & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ketan Vora
Partner

Membership No. 100459
UDIN: 25100459BMMHLC2879

Place: Mumbai
Date: May 5, 2025

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 2 under 'Report on Other Legal and Regulatory Requirement' 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 and investment properties.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) The Company has a program of verification of property, plant and equipment, investment properties, so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i)(c) Based on our examination of the registered title deed and other records provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and investment property are held in the name of the Company as at the balance sheet date.

(i)(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(i)(e) No proceedings have been initiated during the year or are pending against the Company as at March 31st, 2025 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 based on 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. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(ii)(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 statements, debtors and creditors) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of



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

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

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

Particular	Amount (Rs. In crores)	
	Loans	
A. Aggregate amount granted / provided during the year:		
- Parent Company		245
- Fellow Subsidiary		128
- Others (Employees)		0.09
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Parent Company		125
- Fellow Subsidiary		80
- Others (Employees)		0.55

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

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

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

(iii)(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.

(iii)(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.

(iii)(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.

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



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

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.

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 31st, 2025 for a period of more than six months from the date they became payable.

(vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31st, 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. In crores)	Amount Paid (Rs. In crores)	Period which Amount Relates to	Forum where Dispute is Pending
Maharashtra Value Added Tax, 2022	Value Added Taxes, Interest, and Penalty on the same	1.22	0.99	FY 2013-14	Appellate Tribunal
GST Law, Delhi	GST Tax, Interest Penalty on the same	0.04	0.0016	2017-18	Appellate Authority
GST Law, Kerala	GST Tax, Interest Penalty on the same	0.01	0.0005	2017-18	Appellate Authority
GST Law, Gujrat	GST Tax, Interest Penalty on the same	0.18	0.01	2020-21	Appellate Authority
GST Law, Delhi	GST Tax, Interest Penalty on the same	0.85	0.04	2018-19	Appellate Authority
GST Law, Delhi	GST Tax, Interest Penalty on the same	0.08	0.0041	2019-20	Appellate Authority
GST Law, Telangana	GST Tax, Interest Penalty on the same	0.60	0.03	2019-20	Appellate Authority
GST Law, Maharashtra	GST Tax, Interest Penalty on the same	0.54	0.05	2020-21	Appeal yet to filed



(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)(a) In our opinion, the company has not defaulted in the repayment of loans or other borrowings, or in payment of interest thereon to any lender during the year.

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(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.

(ix)(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.

(ix)(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(ix)(f) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x)(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

(xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi)(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.

(xi)(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

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

(xiii) 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 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.



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(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv) (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31st, 2025.

(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 (xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (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.

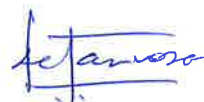
(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

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



Ketan Vora
Partner
Membership No. 100459
UDIN: 25100459BMMHLC2879

Place: Mumbai
Date: May 5, 2025



Particulars	Notes	As at	
		31st March, 2025	31st March, 2024
A ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	3(a)	18.09	14.90
(b) Investment Properties	3(b)	26.53	34.16
(c) Right-of-use Assets	3(d)	0.90	-
(d) Intangible Assets	3(c)	0.53	0.36
(e) Financial Assets			
- Loans	4(a)	0.26	0.25
(f) Deferred Tax Assets (Net)	18	3.97	3.64
(g) Other Non-current Assets	10	10.55	21.81
Total Non Current Assets		60.83	75.12
2. Current assets			
(a) Inventories	5	42.82	49.42
(b) Contract Assets	9	3.41	4.29
(b) Financial Assets			
(i) Investments	6	20.41	30.02
(ii) Trade Receivables	7	51.82	87.23
(iii) Cash and Cash Equivalents	8	64.77	54.88
(iv) Loans	4(a)	205.29	120.38
(v) Other Financial Assets	4(b)	1.25	1.14
(c) Other Current Assets	10	27.85	38.31
Total Current Assets		417.62	385.67
TOTAL ASSETS		478.45	460.79
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	11(a)	10.59	10.59
(b) Other Equity	11(b)	297.74	257.13
Total Equity		308.33	267.72
2. Non-Current Liabilities			
(a) Contract Liabilities	15	11.27	11.99
(b) Financial Liabilities			
(a) Lease Liabilities	13	0.74	-
(b) Other Financial Liabilities	14	2.82	2.58
Total Non-current Liabilities		14.83	14.57
3. Current Liabilities			
(a) Contract Liabilities	15	19.94	37.40
(b) Financial Liabilities			
(i) Trade Payables			
a. Total outstanding dues of Micro Enterprises and Small Enterprises	12	3.32	3.98
b. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12	66.26	78.34
(ii) Lease Liabilities	13	0.20	-
(c) Other Current Liabilities	16	26.77	28.92
(d) Provisions	17	18.33	11.23
(e) Current Tax Liabilities (Net)	18	20.47	18.64
Total - Current Liabilities		155.29	178.50
Total Liabilities		170.12	193.07
TOTAL - EQUITY AND LIABILITIES		478.45	460.79

Summary of significant 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

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



Ketan Vora
Partner
Membership No: 100459

Place : Mumbai
Date: May 5, 2025

Vir S Advani
Chairman
Din: 01571278

Nikhil Sohoni
Director
Din: 06852639



Prem Kalliath
CEO & Director
Din: 07249861



Yogesh Joshi
CFO & Company Secretary



Place : Mumbai
Date: April 23, 2025

Particulars	Notes	For the year ended	
		31st March, 2025	31st March, 2024
Revenue from operations	19	353.66	383.01
Other income	20	29.95	13.02
Total Income (I)		383.61	396.03
Expenses			
Cost of material consumed and project cost	21	27.54	31.49
Purchase of stock-in-trade	21	209.88	239.07
Changes in inventories of stock-in-trade	21	6.60	(10.03)
Employee benefits expense	22	41.95	39.25
Depreciation and amortization expense	23	2.83	2.45
Finance costs	24	0.55	0.76
Other expenses	25	41.23	30.29
Total Expenses (II)		330.58	333.30
Profit before tax (I) - (II)		53.03	62.73
Tax Expense / (Credit)			
i) Current tax	18	13.18	16.45
ii) Deferred tax / (Credit)	18	(0.32)	(0.07)
Total tax expense (III)		12.86	16.38
Profit after tax (IV)		40.17	46.35
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain/(loss) on defined benefit plans		0.09	(0.09)
Income tax effect		(0.02)	0.02
Other comprehensive (loss) / income (V)		0.07	(0.07)
Total comprehensive income (IV+V)		40.24	46.28
Earnings per equity share of Rs. 2 each			
Basic (in Rs)		7.59	8.76
Diluted (in Rs)		7.59	8.76

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

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 1 to 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 Engineering & Electronics Limited



Ketan Vora
 Partner
 Membership No: 100459

Place : Mumbai
 Date: May 5, 2025



Vir S Advani
 Chairman
 Din: 01571278



Nikhil Sohoni
 Director
 Din: 06852639

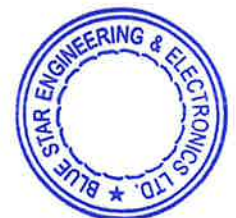


Prem Kalliath
 CEO & Director
 Din: 07249861



Yogesh Joshi
 CFO & Company Secretary

Place : Mumbai
 Date: April 23, 2025



Particulars	(₹ Crores)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	53.03	62.73
	53.03	62.73
Adjustments for :		
Depreciation and amortization expense	2.83	2.45
Finance costs	0.45	0.76
Interest Income	(13.94)	(12.20)
Net gain on sale of investments in mutual fund	(3.19)	(0.68)
Fair Value gain of financial instrument	(0.17)	-
Loss on sale of property, plant and equipment other than freehold land	0.36	0.02
Profit on sale of investment property	(12.50)	-
Bad debts written off and provision for doubtful debts	-	1.01
Provision for doubtful debts and advances and expected credit loss (net)	2.06	(0.14)
Net Translation gain on monetary assets/liabilities (unrealised)	(0.30)	(0.08)
Provisions and liabilities no longer required, written back	(3.31)	(1.67)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	25.31	52.00
Movements in working capital :		
Increase/(decrease) in trade payables	(9.46)	(10.64)
Increase/(decrease) in provisions	6.99	1.45
Increase/(decrease) in other liabilities	(1.16)	(17.90)
Increase/(decrease) in contract liabilities	(18.19)	-
(Increase)/decrease in trade receivables	33.35	(4.36)
(Increase)/decrease in inventories	6.60	(10.03)
(Increase)/decrease in other assets/financial assets	(0.03)	0.24
Increase/(decrease) in contract assets	0.88	-
(Increase)/decrease in other assets	24.58	2.05
Cash generated from operations	68.88	12.82
Income taxes paid (net of refunds)	(11.38)	(10.36)
Net cash flows generated from operating activities (A)	57.50	2.46
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards purchase of property, plant & equipment (net)	(5.21)	(2.09)
Proceeds from sale of investment property	19.00	-
Payment towards investment in mutual fund	(218.40)	(146.60)
Proceeds from redemption of mutual fund	231.18	127.39
Interest received	11.08	12.20
Proceeds from repayment of inter corporate deposit (net)	288.00	155.00
Inter corporate deposit given	(373.00)	(120.00)
Net cash flow used in investing activities (B)	(47.35)	25.90
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(0.27)	-
Interest paid	(0.45)	(0.76)
Net cash flow used in financing activities (C)	(0.72)	(0.76)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	9.44	27.60
Cash and cash equivalents at the beginning of the year	54.88	27.08
Effects of exchange differences on restatement of foreign currency cash and cash equivalents	0.45	0.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	64.77	54.88
COMPONENTS OF CASH AND CASH EQUIVALENTS		
- On current accounts	2.69	12.01
- Deposits with original maturity of less than 3 months	62.01	42.80
- Cash on hand	0.07	0.07
TOTAL CASH AND CASH EQUIVALENTS (Refer note 8)	64.77	54.88

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

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

1 to 44

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

Ketan Vora

Ketan Vora
Partner
Membership No: 100459

Place : Mumbai
Date: May 5, 2025

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

Vir S Advani

Vir S Advani
Chairman
Din: 01571278

Nikhil Sohoni

Nikhil Sohoni
Director
Din: 06852639

Prem Kallith

Prem Kallith
CEO & Director
Din: 07249861

Yogesh Joshi

Yogesh Joshi
CFO & Company Secretary

Place : Mumbai
Date: April 23, 2025



Blue Star Engineering & Electronics Limited
CIN No : U70200MH2010PLC204612
Statement of Changes in Equity for the year ended March 31, 2025

(A) Equity Share Capital

For the year ended March 31, 2025		(₹ Crores)
Balance as at April 1, 2024	Changes in Equity Share Capital during the year	Balance as at March 31, 2025
10.59	-	10.59

For the year ended March 31, 2024		
Balance as at April 1, 2023	Changes in Equity Share Capital during the year	Balance as at March 31, 2024
10.59	-	10.59

(B) Other Equity

For the year ended March 31, 2025				(₹ Crores)
Particulars	Reserves & Surplus			Total Other Equity
	Share Premium (refer note 11(b))	Capital Reserves	Retained Earning	
As at April 1, 2024	18.84	77.62	160.67	257.13
Adjustment during the year (refer note:38)	0.37	-	-	0.37
Profit for the year	-	-	40.17	40.17
Other comprehensive income	-	-	0.07	0.07
As at March 31, 2025	19.21	77.62	200.91	297.74

For the year ended March 31, 2024				
Particulars	Reserves & Surplus			Total Other Equity
	Share Premium (refer note 11(b))	Capital Reserves	Retained Earning	
As at April 1, 2023	20.89	77.62	114.39	212.90
Adjustment during the year (refer note:38)	(2.05)	-	-	(2.05)
Profit for the period	-	-	46.35	46.35
Other comprehensive loss	-	-	(0.07)	(0.07)
As at March 31, 2024	18.84	77.62	160.67	257.13


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

2
1 to 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 Engineering & Electronics Limited


Ketan Vora
Partner
Membership No: 100459


Vir S Advani
Chairman
Din: 01571278

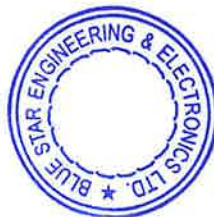

Nikhil Sohoni
Director
Din: 06852639

Place : Mumbai
Date: May 5, 2025


Prem Kalliath
CEO & Director
Din: 07249861


Yogesh Joshi
CFO & Company Secretary

Place : Mumbai
Date: April 23, 2025



1 Corporate information

Blue Star Engineering & Electronics Limited ("the Company") is a public company incorporated in the year 2010 (with effect from 27th February 2015, the name of the Company has changed from Blue Star Electro Mechanical Limited to Blue Star Engineering & Electronics Limited). The registered office of the company is located at Kasturi Buildings, Jamshedji Tata Road, Mohan T Advani Chowk, Mumbai – 400020

The Company is into distribution and maintenance of imported professional electronics and industrial systems and in the business of providing Plumbing & Fire Fighting Contracting Services, providing engineering services in the field of refrigerators and air conditioning, heating and ventilation and also renting of properties.

The financial statements of the Company have been approved by its Board of Directors on 23rd April, 2025

2 Summary Material Accounting Policies

(a) Basis of preparation and presentation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value at the end of each reporting period as required by relevant Ind AS:

- Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The accounting policies adopted for preparation and presentation of financial statement have been consistent with previous year.

The financial statements are presented in and all values are rounded to the nearest crores, 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 judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities and the reported amounts of income and expense for the periods presented .

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 27.

(c) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

i. Revenue from sale of traded goods:

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

The Company provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance service is provided based on the time elapsed.

ii. Revenue from construction contracts:

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

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

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

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

iii. Revenue from sale of services:

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

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

iv. Dividend and Interest income:

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

v. Rental income:

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

vi. Other income:

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



(d) **Employee benefits**

Short term benefits:

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

Retirement benefits

Defined contribution plan:

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

Defined benefit plan:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution. **Defined benefit plan:** The company makes monthly contributions toward the employees' provident fund which is administered by a trust. In the event of an interest shortfall (between the interest declared by the Government and the interest paid by the fund) the deficiency is made good by the company, based on an actuarial valuation. The present value of the 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 employee benefits :

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Ind-AS 102 Share based payments, the fair value of options granted under the scheme, cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. The Employee stock option scheme is administered through Blue Star ESOP Trust.

BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024

The Company's Parent company (Blue Star Limited) operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP) of Blue Star Limited). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments are expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest. The Parent Company recovers the expenses for the stock options granted to the employees of the Company. The said recovery is shown under Employee benefits expenses (employee stock option expense) of the company.

Other long-term employee benefits:

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

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 assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective



(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.

(a) Right-of-use asset :

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from commencement date to earlier of, the end of useful life of the ROU assets or the end of the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "k" Impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building 1 to 5 years

(b) Lease liability :

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.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

As a lessor

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

(f) Foreign currencies

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

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

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



(g) Taxes

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

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

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

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

ii. Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. 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 utilised.

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

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.



(h) Property, plant and equipment (PPE)

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

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

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

Nature of tangible asset	Useful life (years) As per books
Buildings	23-60
Plant and Machinery	5-20
Furniture & fixtures	10
Office equipment	5
Vehicles	5
Computers	6

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.

Freehold land is not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition / disposal of an asset is included in profit or loss.

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

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 rebates are deducted in arriving at the purchase price. Advances paid for the acquisition / construction of PPE 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 on disposal, or when no further economic benefits are expected from use or disposal. 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

Method of Amortisation

Software(Acquired)

Straight Line method of assets over a period of 6 years

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

(j) Investment properties

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

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

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



(k) Impairment

i. Financial assets :

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on trade receivables.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

ii. Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of contract assets.

(l) Financial instruments

Recognition and initial measurement

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

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

Financial assets

Cash and cash equivalents

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

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

Financial assets at amortised cost

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

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

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.

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

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

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

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

Financial liabilities and equity instruments

Financial liabilities at fair value through profit or loss

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



Other financial liabilities

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

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 of direct issue costs.

Derivative financial instruments

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

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

Derecognition of financial instruments

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

Fair value measurement

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

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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(m) 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.

(n) Provisions and contingencies

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranties

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

Contingencies

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

Contingent assets are neither recognised nor disclosed in the financial statements



Blue Star Engineering & Electronics Limited

CIN No : U70200MH2010PLC204612

Notes to Financial Statements for the year ended 31st March 2025

(o) Segment reporting

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

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

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

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

(p) Earnings per share

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

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

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

(q) 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.

(r) Contract balances :

Contract assets

A contract asset is initially recognised for revenue earned from project business because the receipt of consideration is conditional on successful completion of the work. Upon completion of the work and acceptance by the customer. The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the conditions of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section K 'Impairment'.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section I 'Financial instruments' – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(s) Recent accounting pronouncements: -

New and amended Ind ASs effective from April 01, 2024The Ministry of Corporate Affairs (MCA) notifies new standards | amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended on March 31, 2025, the MCA has notified Ind AS 117 Insurance Contracts and amendments to Ind AS 116 Leases, relating to sale and leaseback transactions, applicable to the Company effective from April 01, 2024. The Company has evaluated the new pronouncements | amendments and there is no material impact on its Standalone Financial Statements.

New and revised Ind ASs in issue but not yet effectiveThe Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which will be applicable from April 01, 2025.



Blue Star Engineering & Electronics Limited
 CIN No : U70200MH2010PLC204612
 Notes to Financial Statements for the year ended March 31, 2025
 3.(a) Property Plant & Equipment

Particulars	(₹ Crores)							Total
	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers		
Gross carrying amount								
At April 1, 2023	11.94	4.91	1.34	0.31	2.44	0.05	21.00	
Additions during the year	-	1.67	0.05	0.03	1.19	0.03	2.97	
Disposals during the year	-	(0.03)	-	-	(0.52)	-	(0.55)	
At March 31, 2024	11.94	6.55	1.39	0.33	3.11	0.08	23.41	
At April 1, 2024	11.94	6.55	1.39	0.33	3.11	0.08	23.41	
Additions during the year	-	3.11	0.59	0.05	1.12	0.16	5.01	
Disposals during the year	-	(0.05)	(0.33)	(0.01)	(0.43)	-	(0.81)	
At March 31, 2025	11.94	9.61	1.64	0.37	3.81	0.24	27.61	
Accumulated Depreciation								
At April 1, 2023	6.08	0.76	0.06	0.19	0.58	(0.00)	7.66	
Disposals during the year	-	(0.00)	-	-	(0.29)	-	(0.29)	
Depreciation expense for the year	0.21	0.26	0.14	0.03	0.47	0.02	1.14	
At March 31, 2024	6.29	1.01	0.20	0.22	0.77	0.02	8.51	
At April 1, 2024	6.29	1.01	0.20	0.22	0.77	0.02	8.51	
Disposals during the year	0.21	(0.00)	(0.05)	(0.01)	(0.32)	-	(0.38)	
Depreciation expense for the year	0.21	0.34	0.14	0.03	0.63	0.06	1.40	
At March 31, 2025	6.50	1.35	0.29	0.24	1.07	0.08	9.52	
Net carrying amount								
At March 31, 2025	5.44	8.26	1.36	0.14	2.73	0.16	18.09	
At March 31, 2024	5.64	5.54	1.19	0.11	2.35	0.07	14.90	



Blue Star Engineering & Electronics Limited
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 Notes to Financial Statements for the year ended March 31, 2025

3.(b) Investment Properties

	₹ Crores
Gross carrying amount	
At April 1, 2023	71.49
Additions during the year	-
Disposals during the year	-
At March 31, 2024	71.49
Additions during the year	(17.38)
Disposals during the year	54.11
At March 31, 2025	54.11
Accumulated Amortization	
At April 1, 2023	36.05
Amortization expense for the year	1.28
At March 31, 2024	37.33
Amortization expense for the year	1.13
Disposals during the year	(10.89)
At March 31, 2025	27.57
Net carrying amount	
At March 31, 2025	26.53
At March 31, 2024	34.16



Blue Star Engineering & Electronics Limited
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 Notes to Financial Statements for the year ended March 31, 2025

Information regarding Income & Expenditure of Investment properties recognised in the statement of profit and loss

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Rental income	3.57	3.42
Direct operating expenses (including repairs and maintenance) associated with rental income	(0.59)	(0.45)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Total	2.98	2.97
Less -Amortization expenses for the year	(1.13)	(1.28)
Profit arising from investment property before indirect expenses	1.85	1.69

- i) As at 31st March, 2025 and 31st March, 2024, the fair value of the property is ₹ 56.25 Crores and ₹ 73.36 Crores respectively.
 ii) The valuation is based on fair value assessment done by accredited independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. Valuation is based on fair value assessment done by registered valuer as defined under rule 2 of Companies (Register Valuers and Valuation), Rules 2017.
 iii) The valuer has followed the Comparative Sales method for the purpose of this valuation and is based on the sale of premises in the vicinity, depending on the size, demand for such premises, quality of construction, amenities offered, location advantages, and value addition carried out to the premises, etc.
 iv) The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.
 v) All the title deed for immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the company.
 vi) The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements.

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Opening fair value	73.36	71.10
Sold during the year	(18.82)	-
Movement during the year	1.71	2.26
Closing fair value	56.25	73.36



Blue Star Engineering & Electronics Limited
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Notes to Financial Statements for the year ended March 31, 2025

3(c). Intangible Assets

Particulars	Software
	₹ Crores
Gross carrying amount	
At April 1, 2023	0.28
Additions during the year	0.27
Disposals during the year	-
At March 31, 2024	0.55
At April 1, 2024	0.55
Additions during the year	0.27
Disposals during the year	-
At March 31, 2025	0.82
Accumulated Amortization	
At April 1, 2023	0.13
Amortization expense for the year	0.06
At March 31, 2024	0.19
At April 1, 2024	0.19
Amortization expense for the year	0.10
Disposals during the year	-
At March 31, 2025	0.30
Net carrying amount	
At March 31, 2025	0.53
At March 31, 2024	0.36

3(d). Right Of Use Assets

Particulars	₹ Crores
Gross carrying amount	
At April 1, 2024	-
Additions during the year	1.12
At March 31, 2025	1.12
Accumulated Amortization	
At April 1, 2024	-
Additions during the year	0.22
At March 31, 2025	0.22
Net carrying amount	0.90



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 Notes to Financial Statements for the year ended 31st March 2025
 4. Financial Assets

Particulars	Non-current		Current	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Loans to employees	0.26	0.25	0.29	0.38
Inter-Corporate Deposits (refer note:29)	-	-	205.00	120.00
Total Loans	0.26	0.25	205.29	120.38

Note:

i) There are no loans payable on demand without specifying any terms or period of repayment in the current and previous year.

Particulars	Current	
	31st March, 2025	31st March, 2024
Security Deposit & Earnest Money Deposit	1.56	1.45
Less: Allowance for Doubtful Deposit	(0.31)	(0.31)
Security Deposit & Earnest Money Deposit (Net Balance)	1.25	1.14
Total Other Financial Assets	1.25	1.14

5. Inventories

(Valued at lower of cost and net realisable value)

Particulars	31st March, 2025	31st March, 2024
Traded goods (includes in transit: ₹ 0.14 Crores (31st March, 2024: ₹ 0.07 Crores))	40.12	45.23
Demo Stock (net of amortisation)	2.70	4.19
Total Inventories	42.82	49.42

The above inventory value are net of provision made of ₹ 4.96 Crores (31st March, 2024 ₹ 2.88 Crores) for slow moving, obsolete and defective inventories.

6. Current Investments

Particulars	31st March, 2025		31st March, 2024	
	Units	Amount	Units	Amount
Investment in units of mutual funds				
Mutual fund unquoted		20.41		20.01
Kotak liquid direct growth	51,86,407.45	-	41,045.40	10.01
HDFC liquid-DP direct growth	-	-	21,107.85	10.01
Total Current Investment	51,86,407.45	20.41	62,153.25	30.02

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Blue Star Engineering & Electronics Limited
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 Notes to Financial Statements for the year ended 31st March 2025

7. Trade Receivables

(₹ Crores)

Particulars	Current	
	31st March, 2025	31st March, 2024
Trade Receivables considered good-Unsecured	54.46	89.87
Trade Receivables - Credit impaired	13.36	11.30
Less: Allowance for doubtful debts and Expected credit loss Provision	67.81 (15.99)	101.17 (13.94)
Total Trade receivables	51.82	87.23

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

Particulars	31st March, 2025	31st March, 2024
Opening balances as on 1st April	13.94	14.08
Provision for doubtful debts and advances and expected credit loss (net)	2.06	(0.14)
Closing balance as on 31st March	15.99	13.94

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

EG



7a Trade receivables ageing schedule
 Trade receivables as on March 31, 2025

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2025						Grand Total
	Not due	Less than 6 Months	6 Month - 1 years	1-2 Years	2-3 Years	More than 3 Year	
Undisputed							
Undisputed - considered good	10.44	30.10	7.29	2.89	1.02	2.71	54.45
Undisputed - credit impaired	-	-	-	0.85	0.54	11.97	13.36
Total (A)	10.44	30.10	7.29	3.74	1.56	14.68	67.81
Disputed							
Disputed - considered good	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-
Less: Allowance for doubtful debts / Expected credit loss (C)							(15.99)
Grand Total (A+B-C)	10.44	30.10	7.29	3.74	1.56	14.68	51.82

Trade receivables as on March 31, 2024

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2024						Grand Total
	Not due	Less than 6 Months	6 Month - 1 years	1-2 Years	2-3 Years	More than 3 Year	
Undisputed							
Undisputed - considered good	35.05	38.29	6.82	4.79	2.60	2.32	89.87
Undisputed - credit impaired	-	-	-	0.04	0.26	11.01	11.30
Total (A)	35.05	38.29	6.82	4.82	2.86	13.32	101.17
Disputed							
Disputed - considered Good	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-
Less: Allowance for doubtful debts and Expected credit loss (C)							(13.94)
Grand Total (A+B-C)	35.05	38.29	6.82	4.82	2.86	13.32	87.23

(i) Trade receivables are on non interest bearing credit terms and the credit period of the products are determined by the type of the products. In case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received as per payment terms in the contract, before the performance obligation is satisfied.

(ii) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Company follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.



Blue Star Engineering & Electronics Limited
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Notes to Financial Statements for the year ended 31st March 2025

8. Cash and Cash Equivalents

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
	Balances with banks:	
- In current accounts	2.69	12.01
- Fixed Deposits	62.01	42.80
Cash on hand	0.07	0.07
	64.77	54.88

9. Contract Assets

(₹ Crores)

Particulars	Current	
	31st March, 2025	31st March, 2024
Contract Assets from contracts	1.45	2.72
Contract Assets from annual maintenance contract services	2.54	1.57
Less: Impairment Allowance	(0.58)	-
	3.41	4.29

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

Particulars	31st March, 2025	31st March, 2024
Opening Balance	-	(0.09)
Allowance provided / reversed during the year	(0.58)	0.09
Closing balance	(0.58)	-

10. Other Assets

(₹ Crores)

Particulars	Non-current		Current	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Prepaid Gratuity (refer note 28)	0.11	0.07	-	-
Capital Advances	0.01	0.24	-	-
Balance with Government Authorities	-	0.55	1.73	2.05
Vendor Advances	-	-	6.65	18.57
Prepaid Expenses	10.43	20.94	16.61	16.36
Accrued Income	-	-	2.86	1.33
	10.55	21.81	27.85	38.31



Authorised share capital	31st March, 2025		31st March, 2024	
	No.	(₹ Crores)	No.	(₹ Crores)
10% Cumulative redeemable preference shares of ₹ 100 each	18,00,000	18.00	18,00,000	18.00
Equity shares of ₹ 2 each	5,50,00,000	11.00	5,50,00,000	11.00

Terms & rights to preference shares :

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

Terms/rights attached to equity shares

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

Issued and subscribed and paid up Equity share capital

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

Particulars	31st March, 2025		31st March, 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,29,25,052	10.59	5,29,25,052	10.59
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,29,25,052	10.59	5,29,25,052	10.59

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

Name of the shareholder	31st March, 2025		31st March, 2024	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited, the Holding Company and its Nominees	5,29,25,052	100.00%	5,29,25,052	100.00%

Shareholding pattern of promoters and changes in holding during the year

Name of the shareholder	31st March, 2025		31st March, 2024		% Changes during the year
	Numbers	% holding in the class	Numbers	% holding in the class	
Blue Star Limited, the Holding Company and its Nominees	5,29,25,052	100.00%	5,29,25,052	100.00%	0%

There were no shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date.

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

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

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

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



Other Equity

For the year ended March 31, 2025				(₹ Crores)
Particulars	Reserves & Surplus			Total Other Equity
	Share Premium	Capital Reserves	Retained Earning	
As at April 1, 2024	18.84	77.62	160.67	257.13
Adjustment during the year (refer note :38)	0.37	-	-	0.37
Profit for the year	-	-	40.17	40.17
Other Comprehensive Income/(loss)	-	-	0.07	0.07
As at March 31, 2025	19.21	77.62	200.91	297.74

For the year ended March 31, 2024				(₹ Crores)
Particulars	Reserves & Surplus			Total Other Equity
	Share Premium	Capital Reserves	Retained Earning	
As at April 1, 2023	20.89	77.62	114.39	212.90
Adjustment during the year (refer note :38)	(2.05)	-	-	(2.05)
Profit for the period	-	-	46.35	46.35
Other Comprehensive Income/(loss)	-	-	(0.07)	(0.07)
As at March 31, 2024	18.84	77.62	160.67	257.13



Blue Star Engineering & Electronics Limited
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Notes to Financial Statements for the year ended 31st March 2025

12 Trade Payables

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
Dues of micro enterprises and small enterprises (refer below note)	3.32	3.98
Dues of other than micro enterprises and small enterprises	66.26	78.34
Total Payable	69.58	82.32

Dues to Micro and Small Enterprises Disclosure

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Disclosure as per section 22 of MSME Act

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	3.32	3.98
(ii) Interest due on above	-	-
(b) Amount of interest paid by the buyer in terms of section 16 of the Act	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year)	-	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act, 2006	-	-

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.



Blue Star Engineering & Electronics Limited
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 Notes to Financial Statements for the year ended 31st March 2025

Note : 12 (cont.)
 Trade Payables Ageing Schedule
 Trade payables as on 31st March, 2025

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2025					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Acceptance	-	-	-	-	-	-
Undisputed	3.32	-	-	-	-	3.32
Dues to micro enterprises and small enterprises	41.83	21.20	0.29	0.13	2.80	66.26
Dues to creditors other than micro enterprises and small enterprises	45.15	21.20	0.29	0.13	2.80	69.58
Disputed	-	-	-	-	-	-
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	45.15	21.20	0.29	0.13	2.80	69.58

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2024					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Acceptance	4.21	-	-	-	-	4.21
Undisputed	3.98	-	-	-	-	3.98
Dues to micro enterprises and small enterprises	42.87	26.84	1.61	0.81	1.99	74.12
Dues to creditors other than micro enterprises and small enterprises	51.06	26.84	1.61	0.81	1.99	82.32
Disputed	-	-	-	-	-	-
Dues to micro enterprises and small enterprises	-	-	-	-	-	-
Dues to creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	51.06	26.84	1.61	0.81	1.99	82.32



Blue Star Engineering & Electronics Limited
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 Notes to Financial Statements for the year ended 31st March 2025

13 Lease Liabilities (₹ Crores)

Particulars	Non-Current		Current	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Lease Liabilities	0.74	-	0.20	-
Total	0.74	-	0.20	-

Movement in lease liabilities	31st March, 2025	31st March, 2024
Balance as at 1st April	-	-
Addition during the year	1.11	-
Add: Interest for the year	0.10	-
Less: Paid during the year	(0.27)	-
Balance as at 31st March	0.94	-

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

Particulars	31st March, 2025	31st March, 2024
Lease Liabilities		
Before 3 months	0.06	-
3-6 months	0.06	-
6-12 months	0.12	-
1-3 years	0.57	-
3-5 years	0.33	-
Total undiscounted lease liabilities	1.15	-

Amounts recognised in the statement of profit and loss and cash flow statement

Particulars	31st March, 2025	31st March, 2024
Amounts recognised in the statement of profit and loss		
Depreciation expenses	0.22	-
Interest on lease liabilities	0.10	-
Expense relating to short term lease	-	-
Expense relating to lease of low value assets	-	-
Variable lease payments	-	-
Amounts recognised in statement of cash flow	(0.27)	-
Total cash outflow for leases		

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Variable lease payments

Some property leases contain variable payment terms that are linked to space used for warehouse whenever required by the Company. Variable lease payments that depends on variable space requirement are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in some of the leases across the Company. These are used to maximise operational flexibility in terms of managing the assets in the Company's operation. The majority of extension and termination options held are exercisable by both the Company and by the respective lessor. Further the Company expects not to use that options.



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 Notes to Financial Statements for the year ended 31st March 2025

14 Other Financial Liabilities

Particulars	31st March, 2025		31st March, 2024	
	Non-current		Non-current	
Financial liabilities at amortized cost				
Capital Creditors	0.26		0.02	
Security deposits	2.56		2.56	
Total other financial liabilities at amortized cost	2.82		2.58	
Total	2.82		2.58	

15 Contract Liabilities

Particulars	31st March, 2025		31st March, 2024	
	Non-Current		Current	
Contract liabilities from contracts with customer	-		1.67	19.81
Contract liabilities from AMC	11.27		18.26	17.59
Total	11.27		19.94	37.40

16 Other Liabilities

Particulars	31st March, 2025		31st March, 2024	
	Current		Current	
Advances from customers	22.47		21.11	
Dues to Statutory bodies	1.67		5.88	
Others	2.63		1.94	
Total	26.77		28.92	



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Notes to Financial Statements for the year ended 31st March 2025

17 Provisions

(₹ Crores)

Particulars	Current	
	31st March, 2025	31st March, 2024
Provision for employee benefits (refer note 28)		
Provision for Gratuity	-	-
Provision for Compensated absences	1.21	1.21
Provision for Additional Gratuity	-	-
Total (A)	1.21	1.21
Other provisions		
Provision for warranties	17.12	9.43
Provision for foreseeable losses	-	0.59
Total (B)	17.12	10.02
Total (A+B)	18.33	11.23

Provision for warranties

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

Movement in provision for warranty	31st March, 2025	31st March, 2024
Balance as at 1st April	9.43	7.59
Provision made during the year	9.32	5.46
Utilized /Adjusted during the year	(1.63)	(3.61)
Balance as at 31st March	17.12	9.43

Movement in provision for foreseeable losses	31st March, 2025	31st March, 2024
Balance as at 1st April	0.59	0.94
Provision made during the year	-	-
Utilized /Adjusted during the year	(0.59)	(0.35)
Balance as at 31st March	-	0.59

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18. Income tax

A) Current tax asset / (liabilities)

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
Opening Balance	(18.64)	(12.57)
Less: Current tax payable for the year	(13.20)	(16.42)
Add: Taxes paid (Net of refund)	11.37	10.35
Closing Balance	(20.47)	(18.64)

B) Deferred Tax Assets

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
Deferred Tax Asset - [A]		
Provision for loss allowance	4.02	3.51
Provisions made disallowed and allowed only on payment basis	0.37	0.13
Lease Liabilities	0.23	-
Written Down Value of Fixed Assets	-	0.05
Deferred Tax Liability - [B]		
Written Down Value of Fixed Assets	(0.41)	-
Right of use of assets	(0.24)	-
Others	-	(0.04)
Net Deferred Tax Asset - [A-B]	3.97	3.64

C) Movement in Deferred Tax Assets

(₹ Crores)

Particulars	Charge/ (Credit) to Statement of P&L	
	31st March, 2025	31st March, 2024
Deferred Tax Asset - [A]		
Provision for loss allowance	(0.51)	0.04
Provisions made disallowed and allowed only on payment basis	(0.24)	(0.07)
Lease Liabilities	(0.23)	-
Written Down Value of Fixed Assets	0.05	(0.07)
Others	-	0.02
Deferred Tax Liability - [B]		
Written Down Value of Fixed Assets	0.41	-
Right of use of assets	0.24	-
Others	(0.04)	0.02
Net Deferred Tax Asset - [A-B]	(0.32)	(0.07)

D) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2025 and 31st March, 2024 :

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Accounting profit before income tax	53.03	62.73
Income tax at India's statutory income tax rate of 25.168% (31 March 2024: 25.168%)	13.35	15.79
Expenses disallowed for tax purpose	0.24	0.19
Benefit of lower tax rate on account of certain income/ exp.	(0.77)	0.12
Disallowance on depreciation of investment properties	0.04	0.28
At the effective income tax rate	12.86	16.38

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

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Profit or loss Section		
Current Income tax:		
Current tax	13.18	16.45
Total current income tax charge	13.18	16.45
Deferred tax:		
Deferred tax credit/ charge recognised in the statement of profit and loss	(0.32)	(0.07)
Income tax expense reported in the statement of profit or loss	12.86	16.38

F) Income tax expense reported in the other comprehensive income

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Profit or loss Section		
Current Income tax:		
Remeasurement gain/(loss) on defined benefit plans	0.02	(0.02)
Income tax expense reported in the other comprehensive income	0.02	(0.02)



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Notes to Financial Statements for the year ended 31st March 2025

19. Revenue from operations

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Revenue from operations		
Sale of products	284.12	312.64
Sale of Services	60.15	52.96
Contract revenue	-	12.08
Rental Income	3.57	3.42
Other operating revenue		
Sale of Scrap	0.00	0.03
Provisions and liabilities no longer required, written back	3.31	1.87
Commission Income	2.51	0.01
Total revenue from operations (refer note 40)	353.66	383.01

20. Other income

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Finance Income		
- Inter-Corporate deposit	9.63	10.83
- Banks	4.31	1.37
Other non-operating income		
Net Translation gain on monetary assets/liabilities	0.07	0.08
Net gain on sale of investments in mutual fund	3.19	0.68
Interest on Financial Assets	0.17	-
Profit on sale of Investment Property & PPE	12.14	-
Other Income	0.44	0.06
Total	29.95	13.02



21. Cost of Raw Material and Components Consumed

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Cost of material consumed and project costs	27.54	31.49
Total cost of material consumed and project costs	27.54	31.49

Purchase of Stock in Trade	209.88	239.07
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Changes in Inventories of traded goods

<u>Inventories at the end of the year</u>		
Traded goods	42.82	49.42
	42.82	49.42
<u>Inventories at the beginning of the year</u>		
Traded goods	49.42	39.40
	49.42	39.40
(Increase) / Decrease in inventories	6.60	(10.03)

22. Employee benefits expense

(₹ Crores)

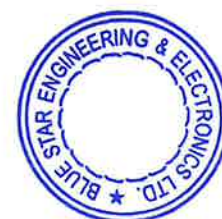
Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Salaries, wages and bonus	38.62	36.29
Contribution to provident and other funds	1.39	1.38
Gratuity expense (refer note 28)	0.35	0.36
Other employment benefits (refer note 28)	0.51	0.59
Directors sitting fees	0.11	0.11
Expenses on employees stock option of the holding company*	0.21	-
Staff welfare expenses	0.75	0.51
	41.95	39.25

*During the year ended March 31, 2025, the Parent Company implemented "BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024". The Plan enables grant of stock options to the eligible employees of the ultimate Parent Company and its subsidiaries. During the year, the Company has recognized an expense of ₹ 0.21 crores (March 31, 2024 - ₹ Nil).

23. Depreciation and amortization expenses

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Depreciation on Property Plant & Equipment	1.38	1.11
Amortization of Intangible Assets	0.10	0.06
Depreciation on Investment Properties	1.13	1.28
Depreciation on right-of-use of Asset	0.22	-
	2.83	2.45



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Notes to Financial Statements for the year ended 31st March 2025

24. Finance costs

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Interest and finance charges on financial liabilities carried at amortised cost		
Interest on Bank borrowings	0.12	0.13
Bank charges	0.31	0.50
Interest on lease liabilities	0.10	-
Interest on delayed payment of tax	0.01	0.13
	0.55	0.76

25. Other expenses

(₹ Crores)

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
Stores and spares consumed	0.02	0.01
Rent	2.68	3.07
Rates and taxes	1.21	0.44
Power and fuel	0.57	0.10
Insurance	0.26	0.21
Repairs and maintenance	0.47	0.38
Advertising and sales promotion	0.75	1.13
Conference Expenses	0.01	0.00
Communication Expenses	0.96	0.90
Freight and forwarding charges	2.47	3.07
Travelling and conveyance	9.19	9.76
Printing and stationery	0.23	0.25
Legal and professional fees	12.15	6.22
Payment to auditors (Refer details A below)	0.33	0.29
Corporate social responsibility expenses (Refer details B below)	0.95	0.77
Loss on sale of property, plant, and equipment (net)	-	0.02
Bad debts / advances written off	-	1.01
Provision for doubtful debts and advances and expected credit loss (net)	2.06	(0.14)
Miscellaneous expenses	1.22	1.48
Share Service charges (refer note 29)	5.70	1.32
	41.23	30.29



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Notes to Financial Statements for the year ended 31st March 2025

A. Payment to auditors

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
As auditor		
Audit fee	0.19	0.19
Limited review	0.07	0.07
Tax audit	0.03	0.03
In other capacity		
Other services	0.02	-
Reimbursement of expenses	0.03	0.01
	0.33	0.29

B. Corporate social responsibility expenses

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
i) Amount required to be spent by the company	0.95	0.77
ii) Amount of expenditure incurred	0.95	0.77
iii) Shortfall/ (Excess) during the end of the year	-	-
iv) Total of previous year shortfall / excess	-	-
v) Reason for shortfall	-	-
vi) Nature of CSR activities	Diagnostic support programme	Diagnostic support programme
vii) Details of related parties	NA	NA
viii) Where a provision made with respect to a liability by entering into a contractual obligation, the movement in the provision during the year shown separately	NA	NA

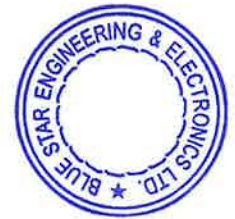
C. The company has made political contribution of ₹ Nil during FY24-25 (FY 23-24 ₹ Nil)

26. Earning Per Share (EPS)

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

(₹ Crores)

Particulars	31st March, 2025	31st March, 2024
Profit attributable to equity share holders of the company	40.17	46.35
Weighted average number of Equity shares	5,29,25,052	5,29,25,052
Basic and diluted earnings per share	7.59	8.76



27 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on the Company's historical experience, existing market conditions, as well as forward looking estimates including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Expected cost of completion of contracts

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

Contract variations

Contract variations are recognised as revenue to the extent that it is probable that they will result in revenue which can be reliably measured and is probable that the economic benefits associated will flow to the Company. This requires the exercise of judgement by management, based on prior experience, the contract terms, manner and terms of settlement, etc.

Rebates and discounts

The Company provides rebates and discounts to its dealers and channel partners based on an expectation of volumes to be achieved and parameters such as exclusivity in marketing the products of the Company, quality of showroom among other parameters. This involves a certain degree of estimation of whether all the parameters to provide discounts have been achieved. Provision for discount and rebates is based on the Company's past experience of volumes achieved vis-à-vis targets and expected volumes to be achieved for the year.

Warranties

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

Inventory

The Company has a defined policy for provision of slow and non-moving inventory based on the ageing of inventory. Obsolete and other non-saleable inventory are adjusted to reflect the recoverable value of inventory. The Company reviews the policy at regular intervals.

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.

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.

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.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

- i. Trade receivables
 - ii. Financial assets measured at amortised cost (other than trade receivables)
 - iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss.

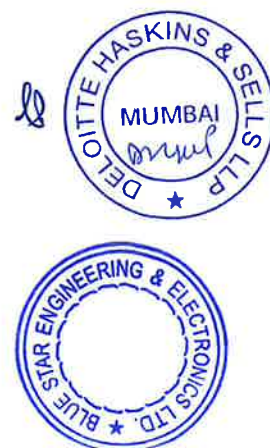
Income taxes and Deferred taxes

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

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

Expected cost of completion of projects / Long term service contracts

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



28 Employee benefits disclosure

I. Defined benefit plans

a. Gratuity

The company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The fund formed by the Parent Company manages the investments of the Gratuity fund. The Gratuity Plan provides a lumpsum 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 Group. 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 contributes all ascertained liabilities to the Gratuity Fund Trust (the Trust).

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

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated on a suitable mark-up over the benchmark Government securities of similar maturities. The Company expects to contribute ₹ 0.26 Crores in Gratuity Fund FY 2025-26 (FY 2024-25 ₹ 0.30 Crores)

Disclosure information :

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

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Defined benefit obligations at the beginning of the year	2.76	3.20	0.02	0.02
Current service cost	0.36	0.36	0.00	0.00
Interest expense	0.20	0.24	0.00	0.00
Benefits paid	(0.11)	(1.13)	(0.00)	(0.01)
Remeasurements				
a. Due to change in demographic assumptions	0.11	0.03	0.00	0.00
b. Due to change in financial assumptions	(0.20)	0.06	(0.00)	0.00
c. Due to experience adjustments				
Defined benefit obligation at the end of the year	3.11	2.76	0.02	0.02

(ii) Change in fair value of plan assets

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Fair Value of the plan asset at the beginning of the year	2.85	3.19	-	-
Expected Return on plan assets (Interest income)	0.20	0.23	-	-
Contributions	0.30	0.55	-	-
Benefit paid	(0.11)	(1.13)	-	-
Fair value of plan assets at end of the year	3.24	2.85	-	-



Notes to Financial Statements for the year ended 31st March 2025

(iii) Components of defined benefit cost recognised in statement of profit & loss (P&L)

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Current service cost	0.36	0.36	0.00	0.00
Interest cost	-	-	0.00	0.00
Expected return on plan asset	(0.01)	0.00	-	-
Total	0.35	0.36	0.00	0.00

(iv) Components of defined benefit costs recognized in other comprehensive income (OCI)

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
a. Due to change in demographic assumptions	-	-	-	-
b. Due to change in financial assumptions	0.11	0.03	0.00	0.00
c. Due to change in experience adjustments	(0.20)	0.06	(0.00)	0.00
d. (Return) on plan assets (excl. interest income)	-	-	-	-
Total	(0.09)	0.09	(0.00)	0.00
Total defined benefit cost recognized in P&L and OCI	0.26	0.45	0.00	0.00

(v) Net liability / (asset) in Balance Sheet

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Present value of Defined benefit obligation	3.11	2.76	0.02	0.02
Fair value of plan assets	3.24	2.85	-	-
Net liability / (asset)	(0.13)	(0.09)	0.02	0.02

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

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Net defined benefit liability (asset) at the beginning of the year	(0.09)	0.01	0.02	0.02
Defined benefit cost recognised in P&L	0.35	0.36	0.00	0.00
Total remeasurements recognised in OCI	(0.09)	0.09	(0.00)	0.00
Employer contributions	(0.30)	(0.55)	-	-
Employer direct benefit payments	-	-	-	-
Net defined benefit liability / (asset) as of end of the year	(0.13)	(0.09)	0.02	0.02

The major categories of plan assets are as follows:

Particulars	31st March, 2025	31st March, 2024
Insurance company products	2.59	2.28
Others	0.65	0.57
Total	3.24	2.85



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

Particulars	Gratuity (Funded) / Additional Gratuity	
	31st March, 2025	31st March, 2024
Discount rate	6.50%	7.15%
Rate of return on plan assets	7.14%	7.37%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Directors-management-staff-others)	10%, 7%, 3%	10%, 7%, 3%
Attrition rate	11%	11%
Disability rate	5% of mortality rate	5% of mortality rate
Normal retirement age	65 Years for Directors	65 Years for Directors
	60 Years for Others	60 Years for Others

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 financial statements).

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).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2025 is shown as below:

Particulars	Gratuity (Funded)		Additional Gratuity	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Assumptions				
Decrease in discount rate (+/-0.5%)	3.20	2.84	0.02	0.02
Increase in discount rate (+/-0.5%)	3.02	2.68	0.02	0.02
Decrease in Salary growth rate (+/-0.5%)	3.02	2.68	-	-
Increase in Salary growth rate (+/-0.5%)	3.20	2.84	-	-
Decrease in attrition rate (+/-0.5%)	3.18	2.79	0.02	0.02
Increase in attrition rate (+/-0.5%)	3.05	2.72	0.02	0.02
Decrease in mortality rate (+/-0.5%)	3.11	2.76	0.02	0.02
Increase in mortality rate (+/-0.5%)	3.11	2.76	0.02	0.02

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2024-25

The Weighted average duration of the defined benefit plan obligation at the end of the reporting year 2024-25 is 5 years.



Notes to Financial Statements for the year ended 31st March 2025

I. General description of significant defined plans:

1. Gratuify plan
Gratuify is payable to all eligible employees on separation /retirement based on 15 days last drawn salary for each completed years of service after continuous service for 5 years.
2. Additional gratuity
Additional gratuity is payable as per the specific rules of the Company i.e ₹ 5,000/- for staff and ₹10,000/- for Managers subject to qualifying service for 15 years.
The Company makes annual contribution to Blue Star Employees Gratuify Fund, which is a funded final salary defined benefit plan for the qualifying employees.

Maturity profile of defined benefit obligation (₹ Crores)		
Expected cash flows	Gratuify (funded)	Additional Gratuify
1 year	0.61	0.00
2 to 5 year	1.62	0.01
6 to 10 year	1.07	0.01
More than 10 year	1.51	0.01
Total	4.81	0.05

II. Defined contribution plans

- a. Provident fund
The Company's contribution to provident fund and other funds aggregating during the period ended 31st March, 2025 is ₹ 1.39 Crores (and during the year ended March 31, 2024: ₹ 1.38 Crores) has been recognised in the statement of profit and loss under the head employee benefit expense (refer note 22).

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

Amount recognized in Balance Sheet (₹ Crores)	
Particulars	Compensated absences as at 31st March, 2024
Amount recognised in Balance Sheet	1.21

Amount recognized in Profit and Loss (₹ Crores)	
Particulars	Compensated absences for the year ended 31st March, 2024
Amount recognised in Profit and loss	0.51



29 Related party disclosure

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

Related parties where controls exists- Parent Company
 Blue Star Limited

Fellow Subsidiary with whom transactions are done
 Blue Star Climatech Ltd
 Blue Star Systems and Solutions LLC

Post-employee benefit entities
 Blue Star Foundation

Key Management Personnel
 Mr. Vir Advani, Chairman
 Mr. B Thiagarajan, Director
 Mr. Nikhil Ramakrishna Sohoni, Director
 Mr. Prem Kallath, Chief Executive Officer
 Mr. Arvind Balaji, Non-Executive and Independent Director
 Mr. Vikram Nirula, Non-Executive and Independent Director
 Mrs. Sunaina Murthy, Non-Executive and Independent Director

Particulars	For the year ended	
	31st March, 2025	31st March, 2024
(₹ Crores)		
b) Transactions with related parties		
Blue Star Limited		
Income:		
Contract Revenue	-	1.13
Sale of Products	0.30	0.00
Rent income	3.57	3.42
Expenses:		
Purchase of Stock-in-trade	0.12	0.11
Shared Service charges	5.70	1.32
Expenses on employees stock option of the holding company	0.21	-
Reimbursement of Expenses	0.83	0.09
Blue Star Foundation		
CSR Payment	0.20	0.20
Blue Star Systems and Solutions LLC		
Reimbursement of Expenses	-	0.38
	For the year ended	
c) Outstanding balances	31st March, 2025	31st March, 2024
Blue Star Limited		
Balance due -Receivable/(payable)		
Trade Receivables	(5.11)	0.11
Security Deposit	(2.56)	(2.56)
	For the year ended	
d) Key Management personnel compensation	31st March, 2025	31st March, 2024
Short term employee benefits		
Remuneration Paid / Payable (including commission)		
Prem Kallath	2.09	2.74
Yogesh Joshi	0.87	0.75
Sitting fees to Non-Executive and Independent Director		
Arvind Balaji	0.04	0.04
Vikram Nirula	0.04	0.05
Sunaina Murthy	0.04	0.03
Commission to Non-Executive and Independent Director		
Arvind Balaji	0.08	0.08
Vikram Nirula	0.08	0.08
Sunaina Murthy	0.08	0.09
e) Loans to related parties	31st March, 2025	31st March, 2024
Blue Star Limited		
Beginning of the year	85.00	120.00
Loans advanced	245.00	85.00
Loan repayment received	(205.00)	(120.00)
Interest charged	5.79	8.11
Interest received	(5.79)	(8.11)
End of the year	125.00	85.00
Blue Star Climatech		
Beginning of the year	35.00	35.00
Loans advanced	128.00	35.00
Loan repayment received	(83.00)	(35.00)
Interest charged	3.84	2.72
Interest received	(3.84)	(2.72)
End of the year	80.00	35.00
Prem Kallath		
Beginning of the year	0.12	0.14
Loan Recovery	(0.01)	(0.01)
End of the year	0.11	0.12
Yogesh Joshi		
Beginning of the year	0.03	0.03
Loan Recovery	(0.09)	(0.00)
End of the year	0.03	0.03
Note: 1) Above all amount are base amount excluding taxes 2) As the facilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.		



30. Derivative Instruments and attached foreign currency exposure

The Company has a well-defined forex risk management policy which ensures proactive and regular monitoring and managing of foreign exchange exposures. Financial risks relating to changes in exchange rates are hedged by forward and options contracts. The hedging strategy is used towards managing currency fluctuation risk and the Company does not use foreign exchange forward and options contract for trading or speculative purposes. Forward and options contract are fair valued at each reporting date. The resultant gain or loss of forward and option contract is recognised in the Statement of Profit and Loss. Commodity risk is mitigated by entering into annual rate contracts with major suppliers which is factored in pricing decisions. This approach provides sufficient mitigation against volatility in commodity rates

- a) Derivative Instruments: Forward contract outstanding as at Balance Sheet date
 There are no forward / option contract outstanding as on 31st March 2025, (31st March 2024 : Nil)
- b) Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars Foreign Currency	As at 31st March, 2025		As at 31st March, 2024	
	Amount in Foreign Currency in Crores	₹ Crores	Amount in Foreign Currency in Crores	₹ Crores
Bank balances				
AED	0.00	0.00	0.00	0.01
EUR	0.04	3.33	0.01	0.52
CAD	0.00	0.00	0.00	-
USD	0.05	4.40	0.10	8.12
Receivables				
AED	0.00	0.10	0.00	0.10
CAD	0.00	0.04	0.00	0.04
EUR	0.02	1.77	0.02	2.04
GBP	0.00	0.08	0.00	0.08
JPY	0.22	0.13	0.22	0.12
USD	0.11	9.54	0.14	11.92
Payables				
AED	0.00	0.11	0.00	0.11
CAD	0.00	0.03	0.00	0.00
EUR	0.03	2.38	0.01	0.83
GBP	-	-	0.01	0.81
JPY	1.78	1.01	1.13	0.62
MYR	0.00	0.01	0.00	0.01
USD	0.08	6.76	0.14	11.87
CHF	-	-	-	-

The un-hedged foreign currency exposures have been given in respect of currencies other than functional currency of the company

31. Financial Instruments

Particulars	As at March 31, 2025				As at March 31, 2024			
	FVTPL	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets								
Investments (refer note 6)	20.41	-	20.41	20.41	30.02	-	30.02	30.02
Trade receivables (refer note 7)	-	51.82	51.82	51.82	-	87.23	87.23	87.23
Cash & bank balances (refer note 8)	-	64.77	64.77	64.77	-	54.88	54.88	54.88
Loans (refer note 4a)	-	205.55	205.55	205.55	-	120.63	120.63	120.63
Other financial assets (refer note 4b)	-	1.25	1.25	1.25	-	1.14	1.14	1.14
	20.41	323.40	343.81	343.81	30.02	263.88	293.90	293.90
Financial Liabilities								
Trade payables (refer note 12)	-	69.59	69.59	69.59	-	82.32	82.32	82.32
Lease Liabilities (refer note 13)	-	0.94	0.94	0.94	-	-	-	-
Other financial liabilities (refer note 12)	-	2.82	2.82	2.82	-	2.58	2.58	2.58
	-	73.34	73.34	73.34	-	84.90	84.90	84.90

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

32. Fair value hierarchy

Quantitative disclosures fair value measurement hierarchy as at 31st March 2025					
Particulars	Date of Valuation	Total	₹ Crores		
			Unquoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant Un observable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property (refer note 3b)	March 31, 2025	56.25	-	-	56.25
Assets measured at fair value					
Investment in mutual fund (refer note 6)	March 31, 2025	20.41	-	20.41	-
Assets for which fair values are disclosed:					
Investment property (refer note 3b)	March 31, 2024	73.36	-	-	73.36
Assets measured at fair value					
Investment in mutual fund (refer note 6)	March 31, 2024	30.02	-	30.02	-

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

Valuation technique and key inputs used to determine fair value:

- Level - 2:
Mutual Fund - quoted price in the active market
- Level - 3:
Investment Property - Based on valuation report of independent valuer



33. Financial risk management objectives and policies

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

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

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

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

Market risk

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

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

Foreign currency risk

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

Foreign currency sensitivity

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

Particulars	Change in currency exchange rate	Effect on profit before tax	
		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
US Dollars	+5%	0.08	0.10
	-5%	(0.08)	(0.10)
Euro	+5%	0.03	0.02
	-5%	(0.03)	(0.02)
CAD	+5%	0.00	0.00
	-5%	(0.00)	(0.00)
JPY	+5%	(1.56)	(0.91)
	-5%	1.56	0.91
AED	+5%	(0.00)	(0.00)
	-5%	0.00	0.00
MYR	+5%	(0.00)	(0.00)
	-5%	0.00	0.00
CHF	+5%	-	-
	-5%	-	-
GBP	+5%	0.00	(0.01)
	-5%	(0.00)	0.01



Credit risk

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

1. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. (refer note 6 for detailed ageing)

2. Financial instruments and cash deposits

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

Liquidity risk

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

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

Particulars	31st March, 2025			31st March, 2024		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade Payables	69.59	-	69.59	82.32	-	82.32
Lease Liabilities	0.20	0.74	0.94	-	-	-
Other Financial Liabilities	-	2.82	2.82	-	2.58	2.58

34. Capital management

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

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

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

35 (a). Disclosure u/s 186(4) of the companies Act, 2013

During the year the Company has placed Inter Corporate Deposits (ICD) with holding company Blue Star Limited & fellow subsidiary company Blue star Climatech Ltd aggregating to Rs 125 Crores and Rs 80 Crores for financing the working capital requirements and capex requirements of the business respectively



36 Contingent liabilities

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

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

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Claims against the company not acknowledged as debts	-	1.25
VAT Matters	1.22	1.22
GST Matters	2.31	0.23
Income tax matters	-	17.86
Total	3.53	20.56

37 Commitments

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	-	0.91

38 During the previous year, the company received a notice from the Stamp Duty Collector Office for non-payment of stamp duty amounting to Rs. 984 lakhs for the business purchase transaction of D S Gupta Construction Private Limited carried out during FY 2010-11. Based on the legal opinion obtained, the Company applied for the Amnesty scheme in February 2024 and provided Rs. 205 lakhs.

As per the terms laid down in the said scheme, approved by the Honourable High Court in 2010-11, such payment of stamp duty is adjusted in the Securities Premium account, in accordance with the Scheme of Arrangement between Blue Star Electro Mechanical Limited (the Company) and its Shareholders & Creditors, duly approved by the Honourable High Court of Judicature at Bombay vide its order dated March 2011. During the year, the Company received the final order from the Stamp Duty Collector Office on 13 February 2025, wherein the amount payable on account of stamp duty was determined to be Rs. 168 lakhs. Consequently, an excess amount of Rs. 37 lakhs on account of stamp duty, which was adjusted in the Securities Premium account in the previous year, has been credited back to the Securities Premium account in the current year based on the final order received from the Stamp Duty Collector Office as mentioned above.

39 Segment information : The Company is mainly into distribution and maintenance of imported professional electronics and industrial systems. Accordingly, there are no separate reportable segments as per Ind AS - 108 on 'Operating Segment' and no further disclosures are required.

40 Disclosure in connection with revenue from contracts with customers

(a) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors:

Particulars	Year ended 31st March, 2025			Year ended 31st March, 2024			
	Revenue by segment type	Over time	At a point in time	Total	Over time	At a point in time	Total
Professional electronics and industrial systems	63.72	289.94	353.66	53.04	329.96	383.01	
Total	63.72	289.94	353.66	53.04	329.96	383.01	

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

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Sale of products at transaction price	284.12	312.64
Less: Reduction towards variable consideration components	-	-
Revenue recognised on sale of products	284.12	312.64

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

(c) Revenue reconciliation for the year

Particulars	₹ Crores	
	31st March, 2025	31st March, 2024
Opening balance- contract assets (net of impairment)	4.29	5.01
Opening balance contract liabilities*	(49.39)	(60.93)
Add: Revenue recognised during the year	63.72	53.04
Less: Progress billing during the year	(46.41)	(42.22)
Closing balance	(27.79)	(45.10)
Closing balance contract assets (net of impairment)	3.41	4.29
Closing balance contract liabilities including income received in advance	(31.21)	(49.39)
*The Company has recognised revenue out of opening contract liabilities	(17.59)	(37.36)



Blue Star Engineering & Electronics Limited
 CIN No : U70200MH2010PLC204612
 Notes to Financial Statements for the year ended 31st March 2025

41. Analytical Ratio

Particulars	Definition	31st March, 2025	31st March, 2024	% Variance	Reason for variance
Current ratio	Current assets / Current liabilities	2.69	2.16	24%	Below threshold of 25%
Return on Equity Ratio	Net profit after tax / average shareholders equity X 100	14%	19%	-26%	Other expenses increased in current year impacted return on equity
Inventory turnover Ratio(No.of days)	Cost of goods sold for the year / average inventory for the year	5.29	5.87	-10%	Below threshold of 25%
Trade receivables turnover ratio (No. of days)	Revenue from operation for the year / average debtors for the year	5.09	4.48	14%	Below threshold of 25%
Trade payables turnover ratio (No.of days)	Cost of goods sold for the year /average creditors for the year	3.76	3.34	13%	Below threshold of 25%
Net capital turnover ratio (In times)	Revenue from operation / working capital	1.35	1.84	-27%	Improvement in debtors recovery
Net profit ratio	Profit/(Loss) for the year / Total Revenue from operation X 100	11%	12%	-6%	Below threshold of 25%
Return on capital employed	(Profit before tax+ finance charge) / capital employed	17%	24%	-27%	Other expenses increased in current year impacted return on equity
Return on investment	Income from investment / cost of investment X 100	13%	3%	272%	Due to investment made in current year
Return on mutual fund	Income from investment / cost of investment X 100	8%	6%	29%	Due to investment made in current year

Note :

- 1.) Debt Service Coverage Ratio (DSCR), Debt-Equity ratio are not applicable due to no long term loan repayment made during the year & no outstanding loan as on 31st march 2025
- 2.) Schedule III require explanation where the change in ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratio.



42. Leases

Operating lease : company as a lessee

The Company has entered into operating lease agreements for storage locations . Lease rental expenses debited to Statement of Profit & Loss under rent charges ₹ 2.68 Crores (31st March 2024: ₹ 3.07 Crores).

Operating lease : company as a lessor

The Company has entered into operating lease agreements. . Lease rental income credited to Statement of Profit and Loss is ₹ 3.57 Crores (31st March 2024 : ₹ 3.42 Crores).

43. 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 do not have any transactions with companies struck off under companies act 2013 or company act 1956.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period,
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
- (vii) The Company 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.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- (ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

44. Previous Year Comparatives

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

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



Vir S Advani
Chairman
Din: 01571278



Nikhil Sohoni
Director
Din: 06852639



Prem Kalliath
CEO & Director
Din: 07249861



Yogesh Joshi
CFO & Company Secretary

Place : Mumbai
Date: April 23, 2025

