

**BLUE STAR CLIMATECH LIMITED**

**Financial Statement for the year ended March 31, 2025**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Blue Star Climatech Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Blue Star Climatech Limited (the "Company"), which comprise the Balance Sheet as at March 31, 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 31, 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 Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **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, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



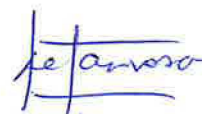


- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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, read with the Schedule V of the act are not applicable to the company.
- 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 31 no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 31 no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.]
  - (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 31, 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 as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Ketan Vora  
Partner

Membership No. 100459  
UDIN: 25100459BMMHLI1575

Place: Mumbai  
Date: May 6, 2025



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls 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 Climatch Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 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 a material 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.

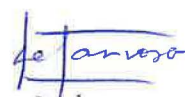
**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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 by the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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 HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Ketan Vora  
Partner  
Membership No. 100459  
UDIN: 25100459BMMHLI1575

Place: Mumbai  
Date: May 6, 2025



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (including capital work-in-progress and relevant details of right-of-use assets).
- (B) The Company has maintained proper records showing full particulars of intangible assets (including intangible assets under development).
- (b) The Company has a program of verification of property, plant and equipment (including capital work-in-progress and right-of-use assets), so to cover all the items once every 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered title deed and other records provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment (including capital work-in-progress), are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 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 according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmations have been obtained by the management and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed, as applicable, when compared with books of account.





- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock, creditors, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed. The Company has not been sanctioned any working capital facility from financial institutions.

- (iii) The Company has made investments in and granted unsecured loans to company and other parties, during the year, in respect of which:

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

<b>Particulars</b>	<b>Amount (Rs. In Crores)</b> <b>Loans</b>
A. Aggregate amount granted / provided during the year:	
- Others (Employees)	0.26
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	0.31

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

- (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, not prejudicial to the Company's interest.
- (c) In respect of loans granted the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.





(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, we have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) There are no dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2025.

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

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

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.

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

(f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause (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.



- (b) The Company has issued equity shares on right basis during the year. For such allotment of shares, the Company has complied with the requirements of Section 62 of the Companies Act, 2013, and the funds raised have been, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.
- In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our Opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 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.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year.



**Deloitte  
Haskins & Sells LLP**

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the 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. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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



Ketan Vora  
Partner

Membership No. 100459  
UDIN: 25100459BMMHLI1575

Place: Mumbai  
Date: May 6, 2025





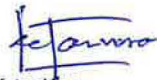
**BLUE STAR CLIMATECH LIMITED**  
CIN No : U29243MH2021PLC360573  
**Standalone Balance Sheet as at March 31, 2025**

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property plant and equipment	4	497.17	357.10
(b) Capital work-in-progress	4A	20.10	82.88
(c) Right-of-use assets	5	19.45	12.91
(d) Intangible assets	6	0.92	1.00
(e) Intangible assets under development	6A	-	0.04
(f) Financial assets			
(i) Loans	8	0.25	0.07
(ii) Other financial assets	8A	1.03	0.85
(g) Income tax assets (net)	20	0.69	-
(h) Deferred tax assets (net)	20	-	-
(i) Other non-current assets	12	44.36	55.62
<b>Total Non-current assets</b>		<b>583.97</b>	<b>510.47</b>
<b>2. Current assets</b>			
(a) Inventories	9	334.55	125.21
(b) Financial assets			
(i) Investments	7	4.76	28.91
(ii) Trade receivables	10	216.16	138.34
(iii) Cash and cash equivalents	11	5.99	3.29
(v) Loans	8	0.06	0.10
(vi) Other financial assets	8A	18.02	6.02
(c) Other current assets	12	14.76	6.70
<b>Total current assets</b>		<b>594.30</b>	<b>308.57</b>
<b>Total Assets</b>		<b>1,178.27</b>	<b>819.04</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	13	544.44	515.00
(b) Other equity	14	75.09	13.63
<b>Total Equity</b>		<b>619.53</b>	<b>528.63</b>
<b>2. Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	21	5.79	-
(b) Other non current liabilities	18	38.88	28.91
(b) Provisions	19	0.40	-
(c) Deferred tax liabilities (net)	20	8.99	3.15
<b>Total - Non-Current Liabilities</b>		<b>54.06</b>	<b>32.06</b>
<b>3. Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	140.00	60.00
(ii) Lease liabilities	21	1.12	-
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	16	35.24	30.78
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	297.19	137.05
(iii) Other financial liabilities	17	17.30	16.60
(b) Other current liabilities	18	11.79	11.73
(c) Provisions	19	0.45	1.24
(d) Income tax liabilities (net)	20	1.59	0.95
<b>Total current liabilities</b>		<b>504.68</b>	<b>258.35</b>
<b>Total Equity and liabilities</b>		<b>1,178.27</b>	<b>819.04</b>

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

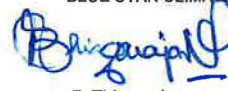

1-46

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



**Ketan Vora**  
Partner  
Membership No. 100459  
Date: May 06, 2025  
Mumbai

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

**B. Thiagarajan**  
Director  
DIN: 01790498

**Vir S. Advani**  
Director  
DIN: 01571278

  
**Dividas V Kasbekar**  
Chief Executive Officer

  
**Sivakumar Ramani**  
Chief Financial Officer

  
**Neha Roy**  
Company Secretary

Date: April 23, 2025  
Place: Mumbai

**BLUE STAR CLIMATECH LIMITED**  
**CIN No : U29243MH2021PLC360573**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2025**

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
		₹ Crores	₹ Crores
Revenue from operations	22	1,484.24	718.75
Other income	23	2.18	3.79
<b>Total Income (I)</b>		<b>1,486.42</b>	<b>722.54</b>
<b>Expenses</b>			
Cost of raw materials consumed (including direct project and service cost)	24	1,300.69	618.33
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(16.80)	(13.39)
Employee benefits expense	25	54.98	33.52
Finance costs	26	8.19	13.30
Depreciation and amortisation expense	27	30.69	21.93
Other expenses	28	34.02	21.21
<b>Total Expenses (II)</b>		<b>1,411.77</b>	<b>694.90</b>
<b>Profit/(Loss) before exceptional items and tax (I) – (II)</b>		<b>74.65</b>	<b>27.64</b>
Exceptional items	34	-	-
<b>Profit/(Loss) before tax (I-II)</b>		<b>74.65</b>	<b>27.64</b>
Tax expense			
i) Current tax	20	7.30	1.39
ii) Deferred tax	20	5.83	3.53
<b>Total tax expense</b>		<b>13.13</b>	<b>4.92</b>
<b>Net Profit/(Loss) after Tax</b>		<b>61.52</b>	<b>22.72</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans	20	(0.07)	(0.09)
Income tax effect		0.01	0.02
<b>Other comprehensive income/(Loss) for the period/year</b>		<b>(0.06)</b>	<b>(0.07)</b>
<b>Total comprehensive income/(Loss) for the period/year</b>		<b>61.46</b>	<b>22.65</b>
<b>Earnings per share</b>	29		
Basic (in ₹)		1.15	0.66
Diluted (in ₹)		1.15	0.66

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

1-46

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

  
**Ketan Vora**  
Partner  
Membership No. 100459  
Date: May 06, 2025  
Mumbai

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

  
**B. Thiagarajan**  
Director  
DIN: 01790498

  
**Vir S. Advani**  
Director  
DIN: 01571278

  
**Devidas V. Kasbekar**  
Chief Executive Officer

  
**Sivakumar Ramani**  
Chief Financial Officer

  
**Neha Roy**  
Company Secretary

Date: April 23, 2025  
Place: Mumbai

**BLUE STAR CLIMATECH LIMITED**  
CIN No : U29243MH2021PLC360573  
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 due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2025
515.00	-	-	29.44	544.44

For the year ended March 31, 2024

₹ Crores				
Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2024
96.60	-	-	418.40	515.00

(B) Other Equity

For the year ended March 31, 2025

Particulars	Reserves and surplus	Total other equity
	Retained Earning (refer note 14)	
Balance as at April 1, 2024	13.63	13.63
Profit for the year	61.52	61.52
Other comprehensive income for the year (net of tax)	(0.06)	(0.06)
<b>Total comprehensive income for the year</b>	<b>61.46</b>	<b>61.46</b>
<b>Balance as at March 31, 2025</b>	<b>75.09</b>	<b>75.09</b>


For the year ended March 31, 2024

Particulars	Reserves and surplus	Total Other Equity
	Retained Earning (refer note 14)	
Balance as at April 1, 2023	(9.03)	(9.02)
Profit for the year	22.72	22.72
Other comprehensive income for the year (net of tax)	(0.07)	(0.07)
<b>Total comprehensive income for the year</b>	<b>22.65</b>	<b>22.65</b>
<b>Balance as at March 31, 2024</b>	<b>13.63</b>	<b>13.63</b>

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

1-46

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



Ketan Vora  
Partner  
Membership No. 100459  
Date: May 06, 2025  
Mumbai

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



B. Thiagarajan  
Director  
DIN: 01790498



Vir S. Advani  
Director  
DIN: 01571278

  
Devidas Y. Kasbekar  
Chief Executive Officer

  
Sivakumar Ramani  
Chief Financial Officer

  
Neha Roy  
Company Secretary

Date: April 23, 2025  
Place: Mumbai



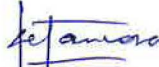
BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573  
Standalone Statement of Cash Flows for the year ended March 31, 2025

	₹ Crores	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	74.65	27.64
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	30.69	21.93
Finance cost	8.19	13.30
Interest income	(0.07)	(0.03)
Income from mutual fund	(1.98)	(2.19)
Net Translation gain on monetary assets/liabilities	(1.05)	0.13
Loss on property, plant & equipment other than freehold land discarded	0.30	1.56
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>110.73</b>	<b>62.34</b>
Adjustment for working capital :		
(Increase)/decrease in trade receivables	(77.82)	(74.24)
(Increase)/decrease in Inventories	(209.34)	(43.25)
(Increase)/decrease in financial assets / other assets	(30.51)	(1.40)
Increase/(decrease) in trade payables	165.66	76.70
Increase/(decrease) in other current liabilities	10.61	17.12
Increase/(decrease) in provisions	(0.45)	0.89
<b>Cash generated from operations</b>	<b>(31.13)</b>	<b>38.17</b>
Direct taxes paid (net of refunds)	(7.33)	(0.42)
<b>Net cash (used)/generated from operating activities (A)</b>	<b>(38.46)</b>	<b>37.75</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipments, including Capital work-in-progress and capital advances	(87.10)	(202.12)
Proceeds from sale of property, plant and equipment	1.03	0.13
Purchase of current investments	(276.75)	(428.46)
Sale of current investments	302.88	401.73
Non-current Investment in subsidiary	-	-
Inter corporate deposit given to subsidiary	-	-
Rent received	-	-
Interest received	0.07	0.03
<b>Net cash used in investing activities (B)</b>	<b>(59.87)</b>	<b>(228.69)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings (net)	-	(46.83)
Proceeds from long term borrowings	-	(161.74)
Inter corporate deposit received from holding & fellow subsidiary	213.00	35.00
Inter corporate deposit paid to holding & fellow subsidiary	(133.00)	(45.00)
Finance cost paid	(7.80)	(13.87)
Total cash outflow for leases	(0.62)	-
Proceeds from issue of equity shares	29.44	418.40
<b>Net cash used in financing activities (C)</b>	<b>101.02</b>	<b>185.96</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>2.70</b>	<b>(4.98)</b>
Cash and cash equivalents at the beginning of the year	3.29	8.27
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>5.99</b>	<b>3.29</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES OF :</b>		
Balances with banks:		
- In current accounts	5.98	3.28
Cash on hand	0.01	0.01
<b>Balance as per statement of cash flows</b>	<b>5.99</b>	<b>3.29</b>

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


1-46

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



Ketan Vora  
Partner  
Membership No. 100459  
Date: May 06, 2025  
Mumbai

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



B. Thiagarajan  
Director  
DIN: 01790498



Vir S. Advani  
Director  
DIN: 01571278

  
Devidas V. Kasbekar  
Chief Executive Officer

  
Sivakumar Ramani  
Chief Financial Officer

  
Neha Roy  
Company Secretary

Date: April 23, 2025  
Place: Mumbai

**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

**Notes to Standalone Financial Statements for the year ended March 31, 2025****1 CORPORATE INFORMATION**

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

The financial statements of the Company were approved by its Board of Directors on April 23, 2025.

**2 STATEMENT OF COMPLIANCE**

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

**3 SUMMARY OF SIGNIFICANT 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 judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities, and the reported amounts of income and expense for the periods presented.

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

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

**(c) Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is net off trade discounts, rebates, and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of the Government.

**i. Revenue from sale of goods:**

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

**ii. Interest income:**

Interest income is recognized using the effective interest method.

**iii. Government grant**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

**(d) Employee benefits****Short term benefits:**

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



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**Retirement benefits**

**Defined contribution plan:**

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

**Defined benefit plan:**

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

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

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

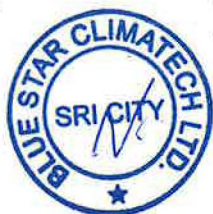
**Other employee benefits :**

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.





**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

**Notes to Standalone Financial Statements for the year ended March 31, 2025****(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 asset are also subject to impairment. Refer to the accounting policies in section "J" impairment of non-financial assets.

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 7 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 (₹).

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

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

**(g) Taxes**

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

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

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



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**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**

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

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

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

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

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

The 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.





**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

**Notes to Standalone Financial Statements for the year ended March 31, 2025****(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.

Nature of intangible asset	Usefull life
Software	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) Impairment****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.

**(k) Financial instruments****Recognition and initial measurement**

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

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





**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**Financial Assets****Cash and cash equivalents**

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

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

**Financial assets****Financial assets at amortised cost**

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

**Financial assets at fair value through profit or loss**

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

**Financial liabilities and equity instruments****Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred to repurchase in the near term.

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

Financial liabilities are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.

**Other financial liabilities**

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

**Equity instruments**

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

**Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



**BLUE STAR CLIMATECH LIMITED**

**CIN No : U29243MH2021PLC360573**

**Notes to Standalone Financial Statements for the year ended March 31, 2025**

**Fair value measurement**

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

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

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

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

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

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.

**(l) Inventories**

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

**(m) Trade Receivables**

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

**(n) Segment reporting**

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

**(o) Operating Cycle**

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

**(p) Earnings per share**

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

**(q) Borrowing Costs**

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



**BLUE STAR CLIMATECH LIMITED**

**CIN No : U29243MH2021PLC360573**

**Notes to Standalone Financial Statements for the year ended March 31, 2025**

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

The Company classifies all other liabilities as non-current.

**Recent accounting pronouncements:**

The 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 effective

The 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.



28



4. PROPERTY PLANT AND EQUIPMENT

Particulars	₹ Crores							
	Buildings	Plant and equipment	Leasehold improvements	Furniture & fixtures	Office equipment	Vehicles	Computers	Total
	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores
<b>Cost</b>								
At April 1, 2023	105.62	136.31	26.52	0.18	2.44	-	-	271.07
Additions during the year	4.07	50.01	48.89	0.80	3.54	0.66	4.05	112.03
Disposals/Transfer during the year	-	(0.18)	-	-	-	-	-	(0.18)
At March 31, 2024	109.69	186.14	75.41	0.98	5.99	0.66	4.05	382.92
At April 1, 2024	109.69	186.14	75.41	0.98	5.99	0.66	4.05	382.92
Additions during the year	67.19	101.69	-	0.58	0.33	0.11	0.45	170.35
Disposals/Transfer during the year	-	(0.70)	-	-	-	(0.15)	-	(0.85)
Reclassification	-	-	-	-	0.05	-	0.20	0.25
At March 31, 2025	176.88	287.13	75.41	1.56	6.37	0.62	4.70	552.67
<b>Accumulated Depreciation</b>								
At April 1, 2023	0.73	2.20	1.18	-	0.12	-	-	4.23
Disposals/Transfers	-	(0.01)	-	-	-	-	-	(0.01)
Provided during the year	3.64	13.30	2.45	0.06	1.07	0.08	1.00	21.60
At March 31, 2024	4.37	15.49	3.63	0.06	1.19	0.08	1.00	25.82
At April 1, 2024	4.37	15.49	3.63	0.06	1.19	0.08	1.00	25.82
Disposals/Transfers	-	(0.11)	-	-	-	(0.02)	-	(0.12)
Reclassification	-	-	-	-	0.01	-	0.04	0.05
Provided during the year	4.63	19.80	2.51	0.12	1.17	0.14	1.38	29.76
At March 31, 2025	9.00	35.18	6.14	0.18	2.37	0.20	2.42	55.50
<b>Net Book Value</b>								
At March 31, 2025	167.87	251.95	69.27	1.38	4.00	0.43	2.27	497.17
At March 31, 2024	105.32	170.65	71.78	0.92	4.80	0.58	3.05	357.10

\* Indicates amount less than ₹ 1 Lakh

4A. Capital Work in Progress

₹ Crores		
Capital Work in Progress	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	82.88	31.48
Add : Additions during the year	107.57	171.25
Less : Transfer during the year	(170.35)	(119.85)
Balance as at the end of the year	20.10	82.88

Ageing of Capital work in progress

Particulars	As at March 31, 2025					As at March 31, 2024			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	20.10	-	-	-	20.10	82.87	0.01	-	82.88
Total capital work in progress	20.10	-	-	-	20.10	82.87	0.01	-	82.88

Note:

- Refer note 34 for disclosure of contractual commitment for acquisition of property, plant and equipment.
- According to assessment of the management, there are no events or changes in circumstances that suggest impairment of PPE as per IND AS 36 Impairment of assets. Consequently, no provision for impairment has been reported.
- There are no projects/items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**5. RIGHT OF USE ASSETS**

₹ Crores

Particulars	Land - leasehold	Buildings	Total
<b>Cost</b>			
At April 1, 2023	5.31	-	5.31
Additions during the year	7.81	-	7.81
At March 31, 2024	13.12	-	13.12
At April 1, 2024	13.12	-	13.12
Additions during the year	-	7.29	7.29
At March 31, 2025	13.12	7.29	20.41
<b>Accumulated Amortisation</b>			
At April 1, 2023	0.08	-	0.08
Provided during the year	0.13	-	0.13
At March 31, 2024	0.21	-	0.21
At April 1, 2024	0.21	-	0.21
Provided during the year	0.13	0.62	0.74
At March 31, 2025	0.34	0.62	0.95
<b>Net Book Value</b>			
At March 31, 2025	12.78	6.67	19.45
At March 31, 2024	12.91	-	12.91



**BLUE STAR CLIMATECH LIMITED**  
**CIN No : U29243MH2021PLC360573**

**Notes to Standalone Financial Statements for the year ended March 31, 2025**

**6. INTANGIBLE ASSETS**

Particulars	₹ Crores	
	Software	Total
<b>Cost</b>		
At April 1, 2023	0.93	0.93
Additions during the year	0.30	0.30
At March 31, 2024	1.23	1.23
At April 1, 2024	1.23	1.23
Additions	0.31	0.31
Reclassification	(0.25)	(0.25)
At March 31, 2025	1.29	1.29
<b>Amortisation</b>		
At April 1, 2023	0.03	0.03
Provided during the year	0.20	0.20
At March 31, 2024	0.23	0.23
At April 1, 2024	0.23	0.23
Disposals / Transfers during the year	(0.05)	(0.05)
Provided during the year	0.19	0.19
At March 31, 2025	0.37	0.37
<b>Net Book Value</b>		
At March 31, 2025	0.92	0.92
At March 31, 2024	1.00	1.00

**6A. INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at March 31, 2025	As at March 31, 2024
Intangible assets under development		
Balance as at the beginning of the year	0.04	0.29
Add : Additions during the year	0.27	0.05
Less : Transfer during the year	0.31	0.30
Balance as at the end of the year	-	0.04

**Ageing of Intangible assets under development**

Particulars	As at March 31, 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total Intangible assets under development	-	-	-	-	-

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.04	-	-	-	0.04
Total Intangible assets under development	0.04	-	-	-	0.04



21



BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

## 7. INVESTMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
<b>I. Current investments</b>		
<b>Investment in units of mutual funds</b>		
<b>Unquoted investment in mutual funds</b>		
<b>Growth Scheme</b>		
89,717.420 Units (March 31, 2024 : 600,648.069 Units) in ABSL Liquid fund - Growth Direct	3.76	23.41
Nil Units (March 31, 2024 : 11,349.297 Units) in ABSL Money Manager Fund - Growth Direct	-	0.39
7,291.320 Units in ABSL Overnight - Growth Direct	1.01	-
Nil Units (March 31, 2024 : 10,272.761 Units) in Kotak Liquid Direct Growth	-	5.00
Nil Units (March 31, 2024 : 258.345 Units) in Kotak Money Market Direct Growth	-	0.11
<b>Total Current investments</b>	<b>4.76</b>	<b>28.91</b>

## 8. LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Loans to employees	0.25	0.07	0.06	0.10
<b>Total loans</b>	<b>0.25</b>	<b>0.07</b>	<b>0.06</b>	<b>0.10</b>

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

2. Loans given to employees are as per the terms of employment.

## 8A. OTHER FINANCIAL ASSETS

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Security deposits, considered good	1.03	0.85	0.02	0.02
<b>Financial assets at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
PLI Receivable	-	-	18.00	6.00
<b>Total other financial assets</b>	<b>1.03</b>	<b>0.85</b>	<b>18.02</b>	<b>6.02</b>

## 9. INVENTORIES

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Raw materials & components	288.93	96.39
Work-in-progress	44.66	27.01
Finished goods	0.96	1.81
<b>Total inventories</b>	<b>334.55</b>	<b>125.21</b>
<b>Inventories includes Goods-in-transit</b>		
Raw materials & components	96.76	29.78
<b>Total Goods in Transit</b>	<b>96.76</b>	<b>29.78</b>



21

10. TRADE RECEIVABLES

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Trade receivables considered good - unsecured	216.16	138.34
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful debts	-	-
<b>Total trade receivables</b>	<b>216.16</b>	<b>138.34</b>

Ageing of trade receivables

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed</b>							
Trade receivables considered good - unsecured	172.40	43.76	*	-	-	-	216.16
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
	172.40	43.76	*	-	-	-	216.16
<b>Disputed</b>							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>172.40</b>	<b>43.76</b>	<b>*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>216.16</b>
Less: Allowance for doubtful debts and credit loss	-	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>172.40</b>	<b>43.76</b>	<b>*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>216.16</b>

\* Indicates amount less than ₹ 1 Lakh.

Ageing of trade receivables

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed</b>							
Trade receivables considered good - unsecured	129.08	9.26	-	-	-	-	138.34
Trade receivables - credit impaired	-	-	-	-	-	-	-
	129.08	9.26	-	-	-	-	138.34
<b>Disputed</b>							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>129.08</b>	<b>9.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.34</b>
Less: Allowance for doubtful debts and credit loss	-	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>129.08</b>	<b>9.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.34</b>

11. CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Cash and cash equivalent		
Balances with banks:		
- In current accounts	5.98	3.28
Cash on hand	0.01	0.01
<b>Total cash and cash equivalent</b>	<b>5.99</b>	<b>3.29</b>

12 OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Capital advances	5.47	26.71	-	-
Balances with statutory authorities	38.87	28.91	7.25	3.64
Vendor advances	-	-	6.36	2.53
Prepaid expenses	0.02	-	1.15	0.53
<b>Total other assets</b>	<b>44.36</b>	<b>55.62</b>	<b>14.76</b>	<b>6.70</b>

Note:

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



U

13 EQUITY SHARE CAPITAL

Authorised share capital	Cumulative convertible preference shares of ₹ 100 each		Equity shares of ₹ 10 each	
	No.	₹ Crores	No.	₹ Crores
At April 1, 2023	2,00,000	2.00	3,00,00,000	30.00
Increase/(Decrease) during the year	-	-	72,00,00,000	720.00
At March 31, 2024	2,00,000	2.00	75,00,00,000	750.00
Increase/(Decrease) during the year	-	-	-	-
At March 31, 2025	2,00,000	2.00	75,00,00,000	750.00

Terms/Rights attached to Equity Shares

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

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

Terms/Rights attached to cumulative convertible preference shares and cumulative compulsorily convertible preference shares

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

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

Issued share capital

Equity shares of ₹ 10 each issued, subscribed & fully paid up	No.	₹ Crores
At April 1, 2023	9,66,00,000	96.60
Issue of Share Capital	41,84,00,000	418.40
At March 31, 2024	51,50,00,000	515.00
Issue of Share Capital	2,94,40,000	29.44
At March 31, 2025	54,44,40,000	544.44

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited	54,44,39,994	99.99%	51,49,99,994	99.99%

Shareholding pattern of promoters and changes in holding during the year

Share held by promoters at the end of the year		As at March 31, 2025			As at March 31, 2024		
Name of Promoters		Numbers of shares	% of total shares	% Changes during the year	Numbers of shares	% of total shares	% Changes during the year
Blue Star Limited and its nominees	Promoter	54,44,40,000	100.00 %	0.00 %	51,50,00,000	100.00%	0.00 %

Aggregate number of equity shares issued for consideration other than cash

Particulars	Aggregate Number of Shares	
	As at March 31, 2025	As at March 31, 2024
Fully paid Equity Shares	2,36,00,000	2,36,00,000

14 OTHER EQUITY

Particulars	₹ Crore	
	Attributable to owners of the company	Total
	Retained Earnings	
As at April 1, 2024	13.63	13.63
Profit for the year	61.52	61.52
Other Comprehensive (Loss)	(0.06)	(0.06)
Total Comprehensive Income for the year ended March 31, 2025	75.09	75.09

Particulars	₹ Crore	
	Attributable to owners of the company	Total
	Retained Earnings	
As at April 1, 2023	(9.03)	(9.03)
Profit for the year	22.72	22.72
Other Comprehensive (Loss)	(0.07)	(0.07)
Total Comprehensive Income for the year ended March 31, 2024	13.63	13.63

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





BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

15 BORROWINGS

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
<b>Short term borrowings</b>		
At amortised cost		
Unsecured		
Inter corporate deposit received from holding & fellow subsidiary	140.00	60.00
<b>Total current borrowings</b>	<b>140.00</b>	<b>60.00</b>
Aggregate secured loans	-	-
Aggregate unsecured loans	140.00	60.00
<b>Total borrowings</b>	<b>140.00</b>	<b>60.00</b>

**1 Intercompany Deposit (Related Party)**

Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 7.15% to 7.76% p.a. ((March 31, 2024 : 5.50% to 7.98%) linked to 12 Months T bill + 0.75% with frequency being last day of the quarter ending (June/Sep/Dec/March). Repayment ending on one year.



24

16 Trade Payables

	As at March 31, 2025 ₹ Crores	As at March 31, 2024 ₹ Crores
Trade Payables		
Micro and small enterprises *	35.24	30.78
	35.24	30.78
Trade payables	297.19	137.05
<b>Total Payable</b>	<b>332.43</b>	<b>167.83</b>

DISCLOSURE AS PER SECTION 22 OF MSME ACT

Particulars	As at March 31, 2025 ₹ Crores	As at March 31, 2024 ₹ Crores
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	35.08	30.77
(ii) Interest due on above	0.15	0.01
(b) Amount of interest paid by the buyer in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	0.01
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year*	0.16	0.01
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	0.16	-
	<b>35.24</b>	<b>30.78</b>

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

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

Ageing of payables

₹ Crores

Particulars	As at March 31, 2025					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Acceptances</b>						
<b>Undisputed</b>						
Dues to micro enterprises and small enterprises	34.40	0.79	0.05			35.24
Dues of creditors other than micro and small enterprises	4.99	290.29	1.59	0.32		297.19
Less: Allowance for doubtful debts						
	<b>39.39</b>	<b>291.08</b>	<b>1.65</b>	<b>0.32</b>	<b>-</b>	<b>332.43</b>
<b>Disputed</b>						
Dues to micro enterprises and small enterprises						-
Dues of creditors other than micro and small enterprises						-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payables</b>	<b>39.39</b>	<b>291.08</b>	<b>1.65</b>	<b>0.32</b>	<b>-</b>	<b>332.43</b>

Ageing of payables

₹ Crores

Particulars	As at March 31, 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Acceptances</b>						
<b>Undisputed</b>						
Dues to micro enterprises and small enterprises	27.03	3.75				30.78
Dues of creditors other than micro and small enterprises	111.84	24.46	0.75			137.05
	<b>138.87</b>	<b>28.21</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>167.83</b>
<b>Disputed</b>						
Dues to micro enterprises and small enterprises						-
Dues of creditors other than micro and small enterprises						-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payables</b>	<b>138.87</b>	<b>28.21</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>167.83</b>



82

**17 OTHER FINANCIAL LIABILITIES**

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
<b>Financial liabilities at amortized cost</b>		
Foreign exchange forward contracts	0.60	0.02
Creditors - capital expenditure	16.70	16.58
<b>Total other financial liabilities</b>	<b>17.30</b>	<b>16.60</b>

a) Foreign exchange forward contracts

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

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

**18 OTHER CURRENT LIABILITIES**

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Advances from customers	-	-	0.32	0.07
Dues to statutory bodies	38.88	28.91	11.34	11.58
Others	-	-	0.13	0.08
<b>Total other current liabilities</b>	<b>38.88</b>	<b>28.91</b>	<b>11.79</b>	<b>11.73</b>

**19 PROVISIONS**

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Provision for employee benefits				
Provision for gratuity	0.29	-	-	0.92
Compensated absences	0.11	-	0.44	0.32
Provision for super annuation	-	-	0.01	0.00
<b>Total Provisions</b>	<b>0.40</b>	<b>-</b>	<b>0.45</b>	<b>1.24</b>



2



BLUE STAR CLIMATECH LIMITED

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

## 20. INCOME TAX

The major components of income tax expense and are:

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

### (a) Current tax asset

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Opening Balance	(0.95)	0.01
Less: Current tax payable for the year	(7.28)	(1.38)
Add: Taxes paid	7.33	0.42
Closing Balance	(0.90)	(0.95)

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

### (b) Deferred Tax Assets

The breakup of Deferred tax asset is as follows:

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
<b>Deferred Tax Asset - [A]</b>		
Provision for loss allowance		
Provisions made disallowed and allowed only on payment basis	0.21	1.90
Lease Liability	1.19	
Security Deposit on ROU	0.02	
Others	0.01	0.01
<b>Deferred Tax Liability - [B]</b>		
Accelerated depreciation for tax purposes	(9.27)	(5.06)
ROU Assets	(1.15)	-
<b>Net Deferred Tax Asset - [A-B]</b>	<b>(8.99)</b>	<b>(3.15)</b>

### Movement in Deferred Tax Assets

Particulars	Charge/ (Credit) to Statement of P&L		Charge/ (Credit) to OCI	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
<b>Deferred Tax Asset -</b>				
Provision for loss allowance		2.52	-	-
Provisions made disallowed and allowed only on payment basis	1.69	(1.88)	-	-
Others	(0.07)		-	-
<b>Deferred Tax Liability -</b>				
Accelerated depreciation for tax purposes	4.21	2.89	-	-
Others		-	-	(0.02)
<b>Total</b>	<b>5.83</b>	<b>3.53</b>	<b>-</b>	<b>(0.02)</b>



BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573  
Notes to Standalone Financial Statements for the year ended March 31, 2025

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

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Accounting profit before income tax	74.65	27.64
Income tax at India's statutory income tax rate of 17.16% (March 31, 2024: 17.16%)	12.81	4.74
Expenses not allowed for tax purpose	0.18	0.02
Additional allowances for tax purpose	(0.06)	(0.01)
Others	0.20	0.17
Income tax at effective tax rate	13.13	4.92

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

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
i) Current tax		
Current tax on profit for the year	7.30	1.39
Total current tax expense	7.30	1.39
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	4.21	2.89
Decrease/(Increase) in deferred tax assets	1.62	0.64
Total deferred tax expense/(benefit)	5.83	3.53
Income tax expense	13.13	4.92

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

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	(0.01)	-
Total current tax expense	(0.01)	-
ii) Deferred tax		
Fair value of equity investment	-	-
Effective portion of gain/(loss) on cash flow hedges	-	-
Remeasurement gain/(loss) on defined benefit plans	-	(0.02)
Total deferred tax expense/(benefit)	-	(0.02)
Income tax expense	(0.01)	(0.02)



2

21 LEASE LIABILITY

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Lease Liabilities	5.79	-	1.12	-
Total lease liabilities	5.79	-	1.12	-

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Opening balance	-	-
Addition during the year	7.12	-
Add: Interest for the year	0.39	-
Less : Paid during the year	(0.60)	-
Closing balance	6.91	-

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Lease liabilities		
Before 3 months	0.33	-
3 -6 months	0.33	-
6-12 months	0.65	-
1-3 years	2.75	-
3-5 years	3.03	-
Above 5 years	2.31	-
Total undiscounted lease liabilities	9.40	-

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Amounts recognised in the statement of profit and loss		
Depreciation expenses	0.74	0.13
Interest on lease liabilities	0.39	-
Expense relating to short term lease	0.84	0.50
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(0.60)	-

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

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.





**BLUE STAR CLIMATECH LIMITED**  
**CIN No : U29243MH2021PLC360573**  
**Notes to Standalone Financial Statements for the year ended March 31, 2025**

**22. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Sale of products	1,457.46	707.32
Other operating revenue		
- Government Grant Income (PLI Incentive)	12.00	6.00
- Others	14.78	5.43
<b>Total revenue from operations</b>	<b>1,484.24</b>	<b>718.75</b>

**Note**

On November 12, 2021, the Company obtained an approval for seeking incentives/ benefits of the 'Production Linked Incentive (PLI) scheme for White goods (Air Conditioners and LEDs)', notified by the government on April 16, 2021 read with PLI Scheme guidelines issued thereunder and as amended from time to time, hereinafter referred as "PLI scheme". The Company has calculated the incremental sales of eligible products of the current financial year as defined in the guidelines issued by the department and has furnished the self-certified quarterly review reports (QRRs) required under the PLI scheme.

Based on such filings and other correspondence with concerned authorities, the Company is confident of availing the PLI incentive for the current financial year. Accordingly, the Company has accrued for the PLI as grant in the nature of income in accordance with Ind AS 20 – "Government Grants" and recognised an amount of ₹ 12.00 crores under other operating revenue (refer note 22) with corresponding receivable from government authorities (refer note 8(a)). Further, the Company will be submitting the claim for disbursement before the due date.

Subsequent to year end the company has received an amount of ₹ 6.00 crores which was accrued during the year ended March 31, 2024.

On January 27, 2025 the company obtained an approval for moving to higher category investments under the said Scheme.

**23. OTHER INCOME**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Interest income on		
- Bank deposits	-	0.01
- Others	0.07	0.02
Gain on investment measured at FVTPL	1.98	2.19
Recovery of Research and Development expenses from holding company( refer note - 33)	-	1.51
Others	0.13	0.06
<b>Total other income</b>	<b>2.18</b>	<b>3.79</b>

**24. COST OF RAW MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Cost of material consumed	1,300.69	618.33
<b>Total cost of raw material and components consumed</b>	<b>1,300.69</b>	<b>618.33</b>
<b>Inventories at the end of the year</b>		
Work-in-progress	44.66	27.01
Finished goods	0.96	1.81
	<b>45.62</b>	<b>28.82</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	27.01	12.25
Finished goods	1.81	3.18
	<b>28.82</b>	<b>15.43</b>
<b>(Increase) /decrease in inventories</b>	<b>(16.80)</b>	<b>(13.39)</b>



BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

## 25. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Salaries, wages and bonus	43.51	27.29
Contribution to provident and other funds	0.77	0.47
Gratuity expense	0.22	0.14
Staff welfare expenses	10.32	5.62
Directors Sitting Fees	0.02	-
Expenses on employees stock option scheme of holding company *	0.14	-
<b>Total employee benefits expense</b>	<b>54.98</b>	<b>33.52</b>

### \* Note

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.

The options granted under the plan have a maximum vesting period of 4 years. The exercise price for stock options granted are at ₹ 2 per share.

During the year, the Company has recognized an expense of ₹ 0.14 crores (March 31, 2024 - ₹ Nil).

## 26. FINANCE COSTS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Interest		
(a) Interest on bank borrowings	0.08	7.92
(b) Interest on ICD	6.64	4.63
(c) Interest on lease liabilities	0.39	-
(d) Interest on MSME	0.15	0.04
(d) Other interest expenses	0.02	0.19
Bank charges	0.91	0.52
	<b>8.19</b>	<b>13.30</b>

## 27. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Depreciation on Property, plant and equipment (refer note 4)	29.76	21.60
Depreciation on right of use assets (refer note 5)	0.74	0.13
Amortisation expenses on intangible assets (refer note 6)	0.19	0.20
<b>Total depreciation and amortisation expense</b>	<b>30.69</b>	<b>21.93</b>



2

**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**28. OTHER EXPENSE**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Stores and spares consumed	5.35	4.83
Power and fuel	7.13	5.72
Rent	0.84	0.50
Repairs and maintenance		
- Buildings	1.37	1.02
- Plant and machinery	4.27	1.22
- Others	0.23	0.36
Insurance	0.76	0.59
Rates and taxes	0.31	0.21
Legal and professional fees	1.27	0.86
Travelling and conveyance	1.15	1.00
Printing and stationery	0.33	0.19
Security Charges	1.39	0.91
Telephone & Communication	0.07	0.06
Payment to auditors (refer details A below )	0.27	0.19
Loss on sale of Asset	0.30	1.56
Donation	0.58	-
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	4.02	0.62
Expenses Written off	0.28	-
Share issue expenses	-	0.02
Corporate Social Responsibility Expenses	0.13	-
Miscellaneous expenses	0.64	0.30
Recovery of Shared Service expenses by Related parties	3.33	1.07
<b>Total other expenses</b>	<b>34.02</b>	<b>21.21</b>

**A. Payment to auditors**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
As auditor:		
Audit fee	0.15	0.14
Limited review	0.04	0.04
Tax Audit	0.02	0.01
In other capacity:		
Other services	0.06	-
Re-imbursement of expenses	-	-
	<b>0.27</b>	<b>0.19</b>

\* Indicates amount less than ₹ 1 Lakh

**B. Corporate social responsibility expenses**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
(i) Gross amount required to be spent by the Company during the year	0.13	-
(ii) Amount spent during the year	0.13	-
(iii) Shortfall in amount spent for CSR expenses	-	-
(iv) Nature of CSR activities	Education, Health, Hygiene & Wellness	-
(v) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	-	-
(vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	-	-

**C. Political contribution**

The Company has made political contribution to B. K. S. Sarva Sadharan Seva Nidhi of ₹ 0.08 crores during FY 2024-25 (FY 2023-24 : ₹ Nil)



24



**29 EARNING PER SHARES (EPS)**

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Profit attributable to equity holders of the Company (₹ in Crores)	61.52	22.72
Weighted average number of Equity shares outstanding	53,49,18,904	34,60,88,525
Earning Per Share (₹) - Basic and Diluted in rupees ( Face Value - ₹ 10 per share)	1.15	0.66



**BLUE STAR CLIMATECH LIMITED**  
**CIN No : U29243MH2021PLC360573**

**Notes to Standalone Financial Statements for the year ended March 31, 2025**

**30. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

**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.

**Useful lives of property, plant and equipment and intangible assets**

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

**Employee benefit plans**

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

**Fair value measurement of financial instruments**

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

**Impairment of financial assets**

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

**Income Taxes**

Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**31. Other Statutory Information**

- i. The company neither holds any benami property nor any proceedings have been initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iv. The company has not traded or invested in crypto currency or virtual currency during the financial year.
- v. The company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall :  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi. The company have not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vii. The company has not been declared as wilful defaulter by any bank, financial institutions or other lender.
- viii. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- x. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**32. Code on Social Security, 2020**

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



BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573  
Notes to Standalone Financial Statements for the year ended March 31, 2025  
33. RELATED PARTY DISCLOSURE

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

Related parties where controls exist - Parent Company  
Blue Star Limited

Fellow Subsidiary  
Blue Star Engineering and Electronics Limited

Post-employee benefit entities  
Blue Star Employees Gratuity Fund

Key Management Personnel  
Mr. Vir S. Advani, Director  
Mr. B. Thiagarajan, Director  
Mr. Devidas Vishwambar Kasbekar, Chief Executive Officer  
Mr. Sivakumar Ramani, Chief Financial Officer  
Ms. Neha Roy, Company Secretary  
Mr. Vipin Sondhi, Independent Director (Since April 23, 2024)  
Ms. Shanmuga Priya, Non-executive director (Since April 23, 2024)  
Mr. Shashi Arora, Director (upto March 13, 2024)

Particulars	Holding Company		Fellow Subsidiary		Other Related Parties		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
b) Transactions with related party								
Blue Star Limited								
Equity								
Issue of equity shares	29.44	418.40					29.44	418.40
Assets								
Purchase of Property, Plant and Equipment	0.58	0.60					0.58	0.60
Sale of Property, Plant and Equipment	0.62	-					0.62	-
Payment towards Capital work-in-progress	5.15	7.47					5.15	7.47
Transfer of loans given to employees	0.01	0.03					0.01	0.03
Liabilities								
Transfer of employee liabilities	-	1.24					-	1.24
Income								
Sale of Manufactured Goods	1,425.01	691.35					1,425.01	691.35
Recovery of Expenses - Research and Development	1.38	1.51					1.38	1.51
Re-imbursement of expenses	-	0.13					-	0.13
Expenses								
Recovery of expenses - Shared Service	3.33	1.20					3.33	1.20
Re-imbursement of expenses	0.55	0.03					0.55	0.03
Interest on inter corporate deposit	2.80	1.91					2.80	1.91
Purchase of Material	-	-					-	-
Purchase of AMC Services	0.03	-					0.03	-
Blue Star Engineering and Electronics Limited								
Expenses								
Interest on inter corporate deposit			3.84	2.73			3.84	2.73
Blue Star Gratuity Trust								
Trust Contribution					0.92	-	0.92	-
c) Outstanding balances	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Blue Star Limited								
Balance due -Receivable/(payable)								
Creditors for capital expenditure	(2.97)	(0.46)					(2.97)	(0.46)
Capital creditors/advances (net)	(0.92)	(0.44)					(0.92)	(0.44)
Trade Receivables	210.41	135.56					210.41	135.56
Blue Star Engineering and Electronics Limited								
Balance due -Receivable/(payable)								
Trade Payables			-	-			-	-





BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

d) Loans from Related Party	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Blue Star Limited</b>								
Opening	25.00	35.00					25.00	35.00
Loans Received	85.00	-					85.00	-
Loans Repaid	(50.00)	(10.00)					(50.00)	(10.00)
Closing	60.00	25.00					60.00	25.00
<b>Blue Star Engineering and Electronics Limited</b>								
Opening			35.00	35.00			35.00	35.00
Loans Received			128.00	-			128.00	-
Loans Repaid			(83.00)	-			(83.00)	-
Closing			80.00	35.00			80.00	35.00
<b>Loans to Related Party</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>Devidas Vishambar Kasbekar</b>								
Opening	-	-	-	-	0.02	0.03	0.02	0.03
Loans Received	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	-	(0.00)	(0.00)	(0.00)	(0.00)
Closing	-	-	-	-	0.02	0.02	0.02	0.02

e) Compensation to key management personnel:

Nature of Transaction	₹ Crores	
	FY 2024-25	FY 2023-24
Short-term employee benefits	2.94	2.74
Shared-based payment	0.14	-
<b>Total compensation to key management personnel</b>	<b>3.08</b>	<b>2.74</b>

34. Capital Commitments

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

As at March 31, 2025 company had commitments (net of advances) of ₹ 41.23 Crores (March 31, 2024 - ₹ 56.33 Crores)



### 35. EMPLOYEE BENEFITS DISCLOSURE

#### Defined Benefit Plans

##### a. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company 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 recognized 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 recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the profit or loss. The Company expects ₹ 0.47 crores contribution to gratuity fund in 2025-26 (FY2024-25: 0.92 crores).

#### Change in present value of defined benefit obligation

Particulars	Gratuity (funded/Unfunded)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Defined benefit obligation at the beginning of the year	0.92	0.06
Current service cost	0.15	0.09
Interest cost	0.07	0.05
Acquisition adjustment	-	0.63
Remeasurements		
a. Due to change in demographic assumptions	-	-
b. Due to change in financial assumptions	0.03	0.01
c. Due to experience adjustments	0.05	0.08
<b>Defined benefit obligation at the end of the year</b>	<b>1.21</b>	<b>0.92</b>

Particulars	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	0.92	-
Benefits paid	-	-
Return on assets	-	-
<b>Fair value of plan assets at the end</b>	<b>0.92</b>	<b>0.00</b>

Particulars	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
<b>Components of defined benefit cost recognized in Profit or Loss</b>		
Current service cost	0.15	0.09
Interest Cost	0.07	0.05
Investment income on plan assets	-	-
<b>Defined benefit cost recognized in profit or loss</b>	<b>0.22</b>	<b>0.14</b>
<b>Components of defined benefit cost recognized in Other Comprehensive Income</b>		
b. Due to change in financial assumptions	0.03	0.01
c. Due to change in experience adjustments	0.05	0.08
<b>Remeasurements recognized in other comprehensive income (OCI)</b>	<b>0.07</b>	<b>0.09</b>

Net liability / (assets) recognized in the balance sheet		
Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Present value of defined benefit obligation	1.21	0.92
Fair value of plan assets	0.92	-
<b>Net liability / (assets)</b>	<b>0.29</b>	<b>0.92</b>



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

**Notes to Standalone Financial Statements for the year ended March 31, 2025**

The major categories of plan assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Cash and cash equivalents	0.00	0.00
Insurance company products	0.00	0.00
Others	0.92	0.00
Total	0.92	0.00

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

Actuarial Assumptions	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	6.50%	7.15%
Disability rate	5% of mortality Rate	5% of mortality Rate
Normal retirement age	60 Years	60 Years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate	Management Staff: 7% Others: 3%	Management Staff: 7% Others: 3%
Attrition Rate	14.00%	14.00%

**Risk Analysis**

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

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

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

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

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

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

Assumptions	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Decrease in discount Rate (-/+ 0.5%)	1.24	0.94
Increase in discount Rate (-/+ 0.5%)	1.19	0.90
Decrease in salary Growth Rate (-/+ 0.5%)	1.19	0.90
Increase in salary Growth Rate (-/+ 0.5%)	1.24	0.94
Decrease in attrition Rate (-/+ 50% of attrition rates)	1.25	0.94
Increase in attrition Rate (-/+ 50% of attrition rates)	1.18	0.90
Decrease in Mortality Rate (-/+ 10% of mortality rates)	1.21	0.92
Increase in Mortality Rate (-/+ 10% of mortality rates)	1.21	0.92

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2024-25 is 3 years.

**Maturity profile of defined benefit obligations**

Expected cash flows	For the year ended March 31, 2025	For the year ended March 31, 2024
1 year	0.60	0.13
2 to 5 years	0.37	0.70
6 to 10 years	0.31	0.22
More than 10 years	0.31	0.21
Total	1.59	1.26





II. Defined Contribution Plan

a. Provident Fund

The company's contribution to provident fund and other funds aggregating during the year ended March 31, 2025 is ₹ 0.77 Crores (March 31, 2024 - ₹ 0.47 Crores) recognized in the statement of profit and loss under the head employee benefit expenses (Refer Note 23).

General Description of significant defined plans:

a. Gratuity Plan

Gratuity is payable to all eligible employees on separation/retirement based on 15 days last drawn salary for each completed years' of service after continuous service for five years.

b. Compensated Absences

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

Amount recognized in Balance Sheet		₹ Crores
Particulars	Compensated Absences as at	
	March 31, 2025	March 31, 2024
Amount recognized in Balance Sheet	0.55	0.31

Amount recognized in Profit and loss		₹ Crores
Particulars	Compensated Absences for the year ended	
	March 31, 2025	March 31, 2024
Amount recognized in Profit and Loss	0.31	0.19



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**36. CAPITAL MANAGEMENT**

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

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

**Gearing Ratio:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Borrowings	140.00	60.00
Less: Cash and cash equivalents	(5.99)	(3.29)
Net Debt	134.01	56.71
Equity	619.53	528.63
Gearing Ratio = (Net Debt / Equity) x 100	21.63%	10.73%

**37. FINANCIAL RATIOS**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	% Variance	Reason for variance
Current ratio	1.18	1.19	-1.41%	
Debt-Equity ratio	0.23	0.11	99.10%	Increase in Debt Equity ratio is due to the increase in ICD taken due to upscaling of business in FY 2024-25.
Debt Service Coverage Ratio (DSCR)	10.11	0.23	4265.06%	Increase in Debt Service coverage ratio is due to the increase in ICD taken in current year and repayment of loans in previous year.
Return on Equity Ratio (ROE)	10.72%	7.38%	45.29%	Increase in Return on equity is due to upscaling of business in the current year.
Inventory turnover ratio (No. of days)	65.53	62.67	4.56%	
Trade receivables turnover ratio (No. of days)	43.71	51.54	-15.20%	
Trade payables turnover ratio (No. of days)	69.46	75.64	-8.17%	
Net capital turnover ratio (In times)	16.26	14.09	15.46%	
Net profit ratio	4.14%	3.15%	31.59%	The changes in Net profit ratio is due to upscaling of business in the current year.
Return on Capital employed	14.95%	10.68%	39.95%	The changes in Return on capital employed is due to upscaling of business in the current year.

**Note:**

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

Current Ratio = Current Assets / Current Liabilities

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

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

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

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

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

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

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

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

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

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



24

**38. DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE**

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

**a. Derivative Instruments: Forward contract outstanding as at balance sheet date**

Foreign Currency	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency (in Crores)	₹ Crores	Amount in Foreign Currency (in Crores)	₹ Crores
Particulars of Forward Contract				
Forward cover to Purchase				
Forward cover against underlying payables (including commitments)				
- CNY/RMB	3.59	42.23	1.75	20.09
- JPY	-	-	3.54	2.11
- USD	0.96	82.40	0.39	32.51

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

Foreign Currency	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency (in Crores)	₹ Crores	Amount in Foreign Currency (in Crores)	₹ Crores
Payables				
CNY/RMB	-	-	-	-
EUR	0.00	0.20	-	-
JPY	1.32	0.75	3.82	2.10
USD	-	-	-	-

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

**39. FINANCIAL INSTRUMENTS**

Particulars	As at March 31, 2025					As at March 31, 2024				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
<b>Financial Assets</b>										
Investments (refer note 7)	4.76	-	-	4.76	4.76	28.91	-	-	28.91	28.91
Loans (refer note 8)	-	-	0.31	0.31	0.31	-	-	0.17	0.17	0.17
Other financial assets (refer note 8A)	-	-	19.05	19.05	19.05	-	-	6.87	6.87	6.87
Trade receivables (refer note 10)	-	-	216.16	216.16	216.16	-	-	138.34	138.34	138.34
Cash & bank balances (refer note 11)	-	-	5.99	5.99	5.99	-	-	3.29	3.29	3.29
	4.76	-	241.51	246.27	246.27	28.91	-	148.67	177.59	177.59
<b>Financial Liabilities</b>										
Borrowings (refer note 15)	-	-	140.00	140.00	140.00	-	-	60.00	60.00	60.00
Trade payables (refer note 16)	-	-	332.43	332.43	332.43	-	-	167.83	167.83	167.83
Other Financial Liabilities (refer note 17)	-	-	17.30	17.30	17.30	-	-	16.60	16.60	16.60
Lease Liabilities (refer note 21)	-	-	6.91	6.91	6.91	-	-	-	-	-
	-	-	496.64	496.64	496.64	-	-	244.43	244.43	244.43

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.

**40. FAIR VALUE HIERARCHY**

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

**Quantitative disclosures fair value measurement hierarchy as at March 31, 2025:**

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
		₹ Crores	₹ Crores	₹ Crores
Assets measured as fair value :				
- Investments in Mutual Funds (refer note 7)	March 31, 2025	4.76	-	4.76
Derivatives not designated as hedges				
- Foreign exchange forward contracts (refer note 17)	March 31, 2025	0.60	-	0.60

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

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

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
		₹ Crores	₹ Crores	₹ Crores
Assets measured as fair value :				
- Investments in Mutual Funds (refer note 7)	March 31, 2024	28.91	-	28.91
Derivatives not designated as hedges				
- Foreign exchange forward contracts (refer note 17)	March 31, 2024	0.02	-	0.02

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

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

Valuation technique used to determine fair value :

1. Level - 2 :

Mutual Fund - Quoted price in the active market

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





**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**41. FINANCIAL RISK MANAGEMENT OBJECTIVE & POLICIES**

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

**Market Risk**

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

**Currency Risk**

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

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

Particulars	As at March 31, 2025				As at March 31, 2024			
	Trade payable/ Capital Creditors in foreign currency (In Crores)	Hedging in foreign currency (In Crores)	Net exposure in foreign currency (In Crores)	Net exposure (₹ Crores)	Trade payable/ Capital Creditors in foreign currency (In Crores)	Hedging in foreign currency (In Crores)	Net exposure in foreign currency (In Crores)	Net exposure (₹ Crores)
Foreign Currency								
CNY/RMB	2.11	3.59	-	-	0.94	1.75	-	-
EUR	0.00	-	0.00	0.20	-	-	-	-
JPY	1.32	-	1.32	0.75	7.66	3.84	3.82	2.10
USD	0.89	0.96	-	-	0.23	0.39	-	-

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

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
EUR	+5%	0.01	-	0.01	-
	-5%	(0.01)	-	(0.01)	-
JPY	+5%	0.04	0.11	0.03	0.09
	-5%	(0.04)	(0.11)	(0.03)	(0.09)

**Commodity price risk**

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

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

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

Particulars	As at March 31, 2025					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Copper	954.74	85.48	-	-	954.74	85.48
Aluminium	1,096.52	37.68	-	-	1,096.52	37.68

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)	Quantity (MT)	Amount (₹ In Crores)
Copper	434.95	34.79	-	-	434.95	34.79
Aluminium	200.96	6.17	-	-	200.96	6.17

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

Particulars	Change in commodity rate	Effect on profit before tax		Effect on equity	
		For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
Copper	-5%	(4.27)	(1.74)	(3.54)	(1.44)
	+5%	4.27	1.74	3.54	1.44
Aluminium	-5%	(1.88)	(0.31)	(1.56)	(0.26)
	+5%	1.88	0.31	1.56	0.26



**BLUE STAR CLIMATECH LIMITED**

CIN No : U29243MH2021PLC360573

Notes to Standalone Financial Statements for the year ended March 31, 2025

**Interest Rate Risk**

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

**Credit Risk**

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

**1. Financial instruments and cash deposits**

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

**Liquidity Risk**

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

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

Particulars	As at March 31, 2025			
	Less than 1 year	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 15)	140.00	-	-	140.00
Trade Payables (refer note 16)	332.43	-	-	332.43
Other financial liabilities (refer note 17)	17.30	-	-	17.30
Lease liabilities (refer note 21)	0.65	6.43	2.31	9.39
<b>Total</b>	<b>490.38</b>	<b>6.43</b>	<b>2.31</b>	<b>499.12</b>

Particulars	As at March 31, 2024			
	Less than 1 year	1-5 Years	More than 5 Years	Total
Interest bearing borrowings (refer note 15)	60.00	-	-	60.00
Trade Payables (refer note 16)	167.83	-	-	167.83
Other financial liabilities (refer note 17)	16.60	-	-	16.60
Lease liabilities (refer note 21)	-	-	-	-
<b>Total</b>	<b>244.43</b>	<b>-</b>	<b>-</b>	<b>244.43</b>

**42. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS**

**1. Disaggregation of revenue:**

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

Revenue by type of contract	For the year ended March 31, 2025			For the year ended March 31, 2024		
	At a point in time	Over time	Total	At a point in time	Over time	Total
Unitary Products	1,484.24	-	1,484.24	718.75	-	718.75
<b>Total</b>	<b>1,484.24</b>	<b>-</b>	<b>1,484.24</b>	<b>718.75</b>	<b>-</b>	<b>718.75</b>

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	₹ Crores	₹ Crores
Sale of products at transaction price	1,484.24	718.76
Reductions towards variable consideration components*	-	(0.01)
<b>Revenue recognized in profit &amp; loss</b>	<b>1,484.24</b>	<b>718.75</b>

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

**43. LEASES**

Disclosure as per the requirement of Ind AS 116

**Amounts recognised in balance sheet**

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Right-of-use assets	19.45	12.91

**Amounts recognised in the statement of profit and loss**

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

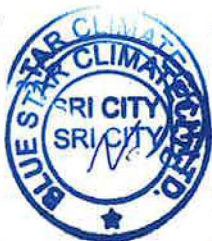
Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
		₹ Crores	₹ Crores
Amortization of right-of-use assets	27	0.74	0.13
Expense relating to short term lease not included in lease liabilities	28	0.84	0.50

**44. Events after the reporting period**

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

**45. Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:**

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Transaction for the year ended March 31, 2025	Balance outstanding as at March 31, 2025	Transaction for the year ended March 31, 2024	Balance outstanding as at March 31, 2024	Relation with struck off Company
Multitech System Industrial Automation Private Limited	U28910TN2014PTC097924	Purchase	0.03	(0.03)	-	-	Vendor



BLUE STAR CLIMATECH LIMITED  
CIN No : U29243MH2021PLC360573  
Notes to Financial Statements for the year ended March 31, 2025

**46. PREVIOUS YEAR COMPARATIVES**

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

01

5/21/25

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



**B. Thiagarajan**  
Director  
DIN: 01790498



**Vir S. Advani**  
Director  
DIN: 01571278



**Devidas V Kasbekar**  
Chief Executive Officer



**Sivakumar Ramani**  
Chief Financial Officer



**Neha Roy**  
Company Secretary

Date: April 23, 2025  
Place: Mumbai