

BLUE STAR INNOVATION JAPAN LLC

Financial Statement for the year ended March 31, 2025



應和監査法人



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Attention: **Ketan Vora**

**COMPONENT AUDITOR CLEARANCE MEMORANDUM
FOR INCLUSION IN THE GROUP AUDIT**

In accordance with your instructions dated February 27 2025, including, if applicable, your instructions to exclude certain procedures or account balances from the scope of our work, we have audited for purposes of your audit of the consolidated financial statements of Blue Star Limited (the "Group") the reporting package (the "financial information") of Blue Star Innovation Japan LLC for the year ended March 31 2025. This financial information, dated April 24 2025, was sent to you signed, for identification purposes only, has been prepared solely to enable the Group to prepare its consolidated financial statements.

Management's Responsibility

Management is responsible for the preparation and presentation of the financial information in accordance with International Financial Reporting Standards ("IFRS") and the Group's accounting policies, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial information using the generally accepted audit standards in Japan and in accordance with your instructions. As requested by you, we planned and performed our audit using the component materiality and component performance materiality as agreed to by you.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. The conclusions reached in forming our conclusion are based on the component materiality and component performance materiality as agreed to by you.



應和監査法人



We have complied with the Code of Ethics for Professional Accountants, including the requirements related to Public Interest Entities as it relates to our independence and professional competence.

Conclusion

In our conclusion, the financial information for Blue Star Innovation Japan LLC as of March 31, 2025, and for the year then ended has been prepared, in all material respects, on the basis of IFRS and the Group's accounting policies.

Restriction on Use and Distribution

This financial information has been prepared for purposes of providing information to the Group to enable it to prepare its consolidated financial statements. As a result, the financial information is not a complete set of financial statements of Blue Star Innovation Japan LLC in accordance with IFRS, and is not intended to give a true and fair view of the financial position of Blue Star Innovation Japan LLC as of March 31 2025, and of its financial performance, and its cash flows for the year then ended in accordance with IFRS. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Deloitte Haskins & Sells LLP and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.

Ohwa & Co.

Chiyoda-ku, Tokyo, Japan

Date: 24th April 2025

Standalone Balance Sheet as at March 31, 2025

Particulars	Notes	As at	As at
		March 31, 2025	March 31, 2024
		in ¥	in ¥
A ASSETS			
1. Non-current assets			
(a) Property plant and equipment	4	157,563,003	7,026,649
(b) Capital work-in-progress	5	4,057,305	78,498,077
(c) Right-of-use assets	6	17,142,668	23,481,916
(d) Deferred tax assets	17	3,060,700	-
Total non-current assets		181,823,676	109,006,642
2. Current assets			
(a) Inventories	7	695,200	-
(b) Financial assets			-
(i) Trade receivables	8	152,030,437	
(ii) Cash and cash equivalents	9	44,841,366	48,067,035
(c) Other current assets	10	5,358,608	2,602,641
Total current assets		202,925,611	50,669,676
Total Assets		384,749,287	159,676,318
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	380,000,000	180,000,000
(b) Other equity	12	(46,396,863)	(51,297,687)
Total equity		333,603,137	128,702,313
2. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14	777,100	968,934
Total - Non-Current Liabilities		777,100	968,934
2. Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro and small enterprises			
(B) Total outstanding dues of creditors other than micro and small enterprises	13	34,883,733	28,033,030
(b) Other current liabilities	15	7,906,023	1,972,041
(c) Provisions	16	1,206,816	-
(d) Income tax liabilities (Net)	17	6,372,478	-
Total current liabilities		50,369,050	30,005,071
Total Equity and Liabilities		384,749,287	159,676,318

The accompanying notes are an integral part of the financial statement 1 to 24

In terms of our report attached

For and on behalf of the board of Directors of
BLUE STAR INNOVATION JAPAN LLC



BLUE STAR Innovation Japan LLC

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
		in ¥	in ¥
Revenue from operations	18	152,618,919	-
Other income	19	38,602	115,096
Total Income (I)		152,657,521	115,096
Expenses			
Purchase of stock-in-trade	20	1,397,340	1,447,690
Employee benefits expense	21	34,723,198	5,136,668
Finance costs	22	1,251,814	516,490
Depreciation and amortisation expense	23	14,288,605	3,475,609
Other expenses	24	92,783,962	40,821,126
Total Expenses (II)		144,444,919	51,397,583
Profit before exceptional items and tax (I) – (II)		8,212,602	(51,282,487)
Exceptional items		-	-
Profit before tax (I-II)		8,212,602	(51,282,487)
Tax expense			
i) Current tax	17	6,372,478	-
ii) Deferred tax	17	(3,060,700)	-
Total tax expense		3,311,778	-
Net Profit after Tax		4,900,824	(51,282,487)

The accompanying notes are an integral part of the financial statement

1 to 24

In terms of our report attached

For and on behalf of the board of Directors of
BLUE STAR INNOVATION JAPAN LLC

Statement of Changes in Equity for the year ended March 31, 2025

(A) Equity Share Capital

For the year ended March 31, 2025

in ¥				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
180,000,000	-	-	200,000,000	380,000,000

For the year ended March 31, 2024

in ¥				
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
40,000,000	-	-	140,000,000	180,000,000

(B) Other Equity

For the year ended March 31, 2025

Particulars	Reserves and surplus					Total other equity
	Securities premium (refer note 12)	Capital redemption reserve (refer note 12)	Capital subsidy from government (refer note 12)	General reserve (refer note 12)	Retained Earning (refer note 12)	
Balance as at April 1, 2024	-	-	-	-	-51,297,687	-51,297,687
Profit for the period	-	-	-	-	4,900,824	4,900,824
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Dividend (refer note 19)	-	-	-	-	-	-
ESOP outstanding	-	-	-	-	-	-
Balance as at March 31, 2025	-	-	-	-	-46,396,863	-46,396,863

For the year ended March 31, 2024

Particulars	Reserves and surplus					Total Other Equity
	Securities premium (refer note 12)	Capital redemption reserve (refer note 12)	Capital subsidy from government (refer note 12)	General reserve (refer note 12)	Retained Earning (refer note 12)	
Balance as at April 1, 2023	-	-	-	-	-15,200	-15,200
Profit for the year	-	-	-	-	-51,282,487	-51,282,487
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Issue of bonus equity shares	-	-	-	-	-	-
Premium on allotment of equity shares	-	-	-	-	-	-
Expenses on allotment of equity shares	-	-	-	-	-	-
Dividend (refer note 19)	-	-	-	-	-	-
Balance as at March 31, 2024	-	-	-	-	-51,297,687	-51,297,687

The accompanying notes are an integral part of the financial statement

In terms of our report attached

For and on behalf of the board of Directors of
BLUE STAR INNOVATION JAPAN LLC

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025



in ₹

Particulars	Year Ended (Audited) March 31, 2025	Year Ended (Audited) March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,212,602	(51,282,487)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	14,288,605	3,475,609
Finance cost	1,251,814	516,490
Interest income	(38,602)	(130)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	15,501,817	3,991,969
Adjustment for movement in working capital :		
(Increase)/decrease in trade receivables	(152,030,437)	-
(Increase)/decrease in inventories	(695,200)	-
(Increase)/decrease in financial assets / other assets	(2,755,967)	(2,602,641)
Increase/(decrease) in trade payables	136,100	-
Increase/(decrease) in other liabilities	10,248,593	30,958,805
Increase/(decrease) in government grants	-	-
Increase/(decrease) in provisions	1,206,816	-
Cash generated from operations	(143,890,095)	28,356,164
Income taxes paid	-	-
Net cash generated from operating activities (A)	(120,175,676)	(18,934,354)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangibles under development]	(81,836,781)	(112,482,251)
Interest received	38,602	130
Net cash used in investing activities (B)	(81,798,179)	(112,482,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter corporate deposit repaid to subsidiary	200,000,000	180,000,000
Finance cost paid	(1,251,814)	(516,490)
Net cash generated from / (used in) financing activities (C)	198,748,186	179,483,510
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(3,225,669)	48,067,035
Cash and cash equivalents at the beginning of the year	48,067,035	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	44,841,366	48,067,035
Balance as per statement of cash flows	44,841,366	48,067,035

Note:

The above Statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

4 PROPERTY PLANT AND EQUIPMENT

5 Capital Work in Progress

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	More than 3 years	Total
Projects in progress	4,057,305.00	-	-	-	4,057,305.00	78,498,077.00	-	-	-	78,498,077.00
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	4,057,305.00	-	-	-	4,057,305.00	78,498,077.00	-	-	-	78,498,077.00

BLUE STAR Innovation Japan LLC

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

6. RIGHT OF USE ASSETS

in ¥

Particulars	Buildings
Gross carrying value	
As at April 1, 2023	-
Additions during the year	26,792,980
Disposals / Transfers during the year	-
As at March 31, 2024	26,792,980
As at April 1, 2024	26,792,980
Additions during the year	(419,652)
As at March 31, 2025	26,373,328
Accumulated Amortisation	
As at April 1, 2023	-
Amortisation for the year	3,311,064
As at March 31, 2024	3,311,064
As at April 1, 2024	3,311,064
Amortisation for the year	5,919,596
As at March 31, 2025	9,230,660
Net Book Value	
As at March 31, 2025	17,142,668
As at March 31, 2024	23,481,916

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BLUE STAR Innovation Japan LLC

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

Ageing of trade receivables

in ¥

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

9. CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2025	As at March 31, 2024
	in ¥	in ¥
Cash and cash equivalent		
<i>Balances with banks:</i>		
– In current accounts	44,841,366	48,067,035
– Deposits with original maturity of less than 3 months	-	-
Cash on hand	-	-
Total cash and cash equivalent	44,841,366	48,067,035

There are no repatriation restrictions with regard to cash and cash equivalents.

BLUE STAR Innovation Japan LLC

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

10 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
	in ¥	in ¥	in ¥	in ¥
Contract Assets	-	-	-	-
Less: Allowance for doubtful contract assets	-	-	-	-
Contract assets (Net)	-	-	-	-
Retention	-	-	-	-
Capital advances	-	-	-	-
Balances with statutory authorities	-	-	-	-
Less : Allowance for doubtful deposits	-	-	-	-
Balance with statutory authorities (Net)	-	-	-	-
Vendor advances	-	-	-	1,985,464
Less: Allowance for doubtful vendor advance	-	-	-	-
Vendor advances (Net)	-	-	-	-
Prepaid expenses	-	-	221,754	617,177
Government grant receivable	-	-	-	-
Gratuity paid in advance (Refer Note 36)	-	-	-	-
C-tax paid	-	-	5,136,854	-
Total other assets	-	-	5,358,608	2,602,641

BLUE STAR Innovation Japan LLC

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

11 EQUITY SHARE CAPITAL

in ¥		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	180,000,000	40,000,000
Issue of Share Capital	200,000,000	140,000,000
Balance at the end of the year	380,000,000	180,000,000

12 OTHER EQUITY

in ¥		
Particulars	As at March 31, 2025	As at March 31, 2024
Retained Earnings		
Opening balance	(51,297,687)	(15,200)
Add: Profit for the year	4,900,824	(51,282,487)
Less: Other comprehensive income / (loss) for the year (net of tax)		
[Re-measurement gains/(losses) on defined benefit plans]		
Less: Dividend		
Closing balance		
Total	(46,396,863)	(51,297,687)



BLUE STAR Innovation Japan LLC

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

13 Trade Payables

Particulars	March 31, 2025 In ¥	March 31, 2024 In ¥
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	34,883,733	28,033,030
Total Trade payables	34,883,733	28,033,030

Ageing of payables							In ¥
Particulars	As at March 31, 2025						
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Acceptances	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-
Dues to micro and small enterprises	-	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	34,883,733	-	-	-	-	34,883,733	-
Less: Allowance for doubtful debts	-	-	-	-	-	-	-
	34,883,733	-	-	-	-	34,883,733	
Disputed	-	-	-	-	-	-	-
Dues to micro and small enterprises	-	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Total payables	34,883,733	-	-	-	-	34,883,733	

Ageing of payables							In ¥
Particulars	As at March 31, 2024						
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Acceptances	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-
Dues to micro and small enterprises	-	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	28,033,030	-	-	-	-	28,033,030	-
	28,033,030	-	-	-	-	28,033,030	
Disputed	-	-	-	-	-	-	-
Dues to micro and small enterprises	-	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Total payables	28,033,030	-	-	-	-	28,033,030	

14 LEASE 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
	In ¥	In ¥	In ¥	In ¥
Lease Liabilities	777,100.00	968,934.00	-	-
Total lease liabilities	777,100.00	968,934.00	-	-



BLUE STAR Innovation Japan LLC

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

15 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
	In ¥	In ¥
Others	7,906,023	1,972,041
Total other current liabilities	7,906,023	1,972,041

BLUE STAR Innovation Japan LLC

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

16 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
	In ¥	In ¥	In ¥	In ¥
Other provisions				
Other provisions	-	-	1,206,816	-
	-	-	1,206,816	-
Total	-	-	1,206,816	-



BLUE STAR Innovation Japan LLC
Notes to Standalone Financial Statements for the year ended March 31, 2025

17. 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 31st March, 2025 and 31st March, 2024 :

(a) Current tax asset

Particulars	31st March, 2025	31st March, 2024
	In ₹	In ₹
Opening Balance	-	-
Less: Current tax payable for the year	6,372,478.00	-
Add: Taxes paid	-	-
Closing Balance	6,372,478.00	-

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	31st March, 2025	31st March, 2024
	In ₹	In ₹
Deferred Tax Asset - [A]		
Provision for loss allowance	-	-
Provisions made disallowed and allowed only on payment basis	3,060,700.00	-
Others	-	-
Deferred Tax Liability - [B]		
Accelerated depreciation for tax purposes	-	-
Others	-	-
	-	-
Net Deferred Tax Asset - [A-B]	3,060,700.00	-

Movement in Deferred Tax Assets

Particulars	Charge/ (Credit) to Statement of P&L	
	31st March, 2025	31st March, 2024
	In ₹	In ₹
Deferred Tax Asset -		
Provision for loss allowance	-	-
Provisions made disallowed and allowed only on payment basis	3,060,700.00	-
Others	-	-
Deferred Tax Liability -		
Accelerated depreciation for tax purposes	-	-
Others	-	-
Total	3,060,700.00	-



BLUE STAR Innovation Japan LLC

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

18. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Sale of products	2,796,408	-
Sale of services	149,822,511	-
Total revenue from operations	152,618,919	-

19. OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Others	38,602	115,096
Total other income	38,602	115,096

BLUE STAR Innovation Japan LLC

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

20. COST OF RAW MATERIALS CONSUMED (INCLUDING DIRECT PROJECT AND SERVICE COST)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Cost of material consumed	-	-
Project cost (including bought outs)	-	-
AMC subcontracting and other service cost	-	-
Total cost of raw material and components consumed and project related cost	-	-

Purchase of stock-in-trade	1,397,340	1,447,690
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Inventories at the end of the year		
Traded goods	695,200.00	-
Work-in-progress	-	-
Finished goods	-	-
	695,200.00	-
Inventories at the beginning of the year		
Traded goods	-	-
Work-in-progress	-	-
Finished goods	-	-
	-	-
(Increase) /decrease in inventories	(695,200)	-

21. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Salaries, wages and bonus	31,458,440	4,740,638
Staff welfare expenses	3,264,758	396,030
Total employee benefits expense	34,723,198	5,136,668

22. FINANCE COSTS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
-Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest on lease liabilities	227,818	-
(b) Other interest expenses	-	-
-Bank charges	1,023,996	516,490
Total finance costs	1,251,814	516,490

23. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Depreciation on Property, plant and equipment	14,288,605	3,475,609
Total depreciation and amortisation expense	14,288,605	3,475,609

BLUE STAR Innovation Japan LLC

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

24. OTHER EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	In ¥	In ¥
Power and fuel	2,334,416	14,447
Rent	-	505,456
Repairs and maintenance		
- Buildings	77,000	90,720
- Plant and machinery	35,603,473	8,588,840
- Others		12,270
Insurance	673,620	-
Rates and taxes	114,546	-
Freight and forwarding charges	171,539	1,021,751
Legal and professional fees	27,182,501	17,314,498
Travelling and conveyance	3,153,642	951,039
Payment to auditors	4,830,000	-
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	(1,425,073)	-
Miscellaneous expenses	20,068,298	12,322,105
Total other expenses	92,783,962	40,821,126