



BLUE STAR LIMITED
ANNUAL REPORT 2024-2025

Forward-looking Statements

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans, and objectives for future operations. Forward-looking statements can be identified by words such as 'believes,' 'estimates,' 'anticipates,' 'expects,' 'intends,' 'may,' 'will,' 'can,' 'plans,' 'outlook,' 'continue,' 'could,' 'likely,' 'objective,' 'propose,' 'seek to,' 'will pursue,' 'will likely,' 'will achieve,' and other words of similar meaning in connection with a discussion of future operational or financial performance. Forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect or imprecise and may not be capable of being realised. As such, they are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, the performance of the financial markets in India and globally, changes in industry competition, and incidence of any natural calamities, global warming, and/or acts of violence and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

We cannot assure our stakeholders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, the stakeholders are cautioned not to place undue reliance on such forward-looking statements and not to regard them as a guarantee of future performance.



OVER 80 YEARS OF
COOLING EXPERTISE.



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For more information,
please scan the QR code
or visit our website:
<https://www.bluestarindia.com>

BOARD OF DIRECTORS

Vir S Advani

Chairman & Managing Director

B Thiagarajan

Managing Director

P V Rao

Executive Director - Projects, Solutions, and International (with effect from August 7, 2024)

Non-Executive Directors

Rajiv R Lulla

Sunaina Murthy

Dinesh N Vaswani

Independent Directors

Sam Balsara

Anil Harish

G Murlidhar

Anita Ramachandran

Arvind K Singhal

Vipin Sondhi

COMPANY SECRETARY & COMPLIANCE OFFICER

Rajesh Parte

REGISTERED OFFICE

Kasturi Buildings,
Mohan T Advani Chowk,
Jamshedji Tata Road,
Mumbai 400 020.

Tel: +91 22 6665 4000

www.bluestarindia.com

CIN: L28920MH1949PLC006870

BANKERS

The Hongkong Shanghai Banking Corporation Ltd

ICICI Bank Ltd

Axis Bank Ltd

Standard Chartered Bank

IDBI Bank Ltd

Kotak Mahindra Bank Ltd

DBS Bank India Ltd

Bank of Baroda

HDFC Bank Ltd

Citibank N.A.

Qatar National Bank (Q.P.S.C.)

Yes Bank Ltd

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

INTERNAL AUDITORS

Grant Thornton Bharat LLP

REGISTRAR & TRANSFER AGENT

MUFG Intime India Pvt Ltd

(Formerly known as Link Intime India Pvt Ltd)

C-101, 1st Floor C Tower,

247 Park, L.B.S. Marg,

Vikhroli (West) Mumbai 400 083.

Tel: +91 8108116767

Toll-free number: 1800 1020 878

Website: www.in.mpms.mufg.com

CORPORATE MANAGEMENT

Vir S Advani

Chairman & Managing Director

B Thiagarajan

Managing Director

P V Rao

Executive Director - Projects, Solutions & International

Arun Rajan

*Group Chief Human Resources Officer
(with effect from February 17, 2025)*

Nikhil Sohoni

Group Chief Financial Officer

Mohit Sud

*Group President,
Unitary Cooling Products (with effect from March 31, 2025)*

V S Ashok

*Executive Vice President,
Customer Experience & ESG*

C Haridas

*Executive Vice President,
Sales & Marketing and Customer Service,
Unitary Cooling Products*

Wilson Jebaraj

*Executive Vice President,
Electro-Mechanical Projects & Customer Service*

M Srinivas Reddy

*Executive Vice President,
Corporate Strategy & Business Development*

Nithianand S

*Executive Vice President,
Procurement & Supply Chain*

Senthil Thangam

*Executive Vice President,
Commercial Air Conditioning Products & Solutions and
International Business*

Michael Angre

*Vice President,
Customer Service, Central & Packaged Air Conditioning*

Deepak Baid

*Vice President,
Research & Development, Unitary Cooling Products*

Sushil Deshpande

*Vice President,
Manufacturing, Dadra & Wada Plants*

Ravi Hegde

*Vice President,
Commercial & Procurement, Electro-Mechanical Projects &
Air Conditioning Solutions Group*

Girish Hingorani

*Vice President,
Marketing (Unitary Cooling Products) & Corporate
Communications*

Suresh Iyer

Chief Information Officer (up to September 30, 2024)

Vikas Jain

*Vice President,
Corporate Commercial Operations*

Suresh Kaushal

*Vice President,
Quality (with effect from February 1, 2025)*

Sheetal M Kulkarni

*Vice President,
R&D and Technology (Commercial Air Conditioning &
Refrigeration)*

Blue Star Limited

Rajesh Laddha
Vice President,
Manufacturing Engineering (with effect from November 27, 2024)

Munish Malhotra
Vice President,
Procurement, Manufacturing Plants

Udit Pahwa
Chief Information Officer (with effect from May 21, 2024)

R S Priya
Vice President,
Key Accounts Management & Marketing, Electro-Mechanical Projects & Air Conditioning Solutions Group

Jagadeeswara Rao E
Vice President,
Electro-Mechanical Projects (Factories & Data Centres)

S Srikant
Vice President - Sales & Marketing, Commercial Refrigeration Products & Solutions

Vijayaraghavan V
Vice President,
Electro-Mechanical Projects (Infrastructure) (with effect from January 15, 2025)

SUBSIDIARY COMPANIES

Blue Star Engineering & Electronics Limited
Prem Kalliat
Chief Executive Officer

Rajesh Sahu
Chief Operating Officer - Industrial Solutions

Atul Prabhakar Kulkarni
Chief Business Officer - Medtech Solutions

S Suresh
Chief Business Officer - Data Security Solutions

Yogesh Joshi
Chief Financial Officer and Company Secretary

Blue Star Climatech Limited
Devidas Kasbekar
Chief Executive Officer

Sivakumar Ramani
Vice President - Commercial Operations, Manufacturing & Chief Financial Officer

Blue Star International FZCO
Madhanagopal C
Chief Executive Officer (with effect from October 1, 2024)

Mohamed Abbas Miraj
Chief Operating Officer (up to December 31, 2024)

Blue Star North America Inc.
Thomas F Overs
Chief Executive Officer

Blue Star Europe B.V.
Jason Tinsley
Vice President - Sales (U.K. and Europe)



BLUE STAR

VISION

**TO DREAM, TO STRIVE,
TO CARE AND, ABOVE ALL,
TO BE THE BEST IN
EVERYTHING WE DO.**

Letter from the Chairman & Managing Director



FY25 was a year of meaningful progress across our key priorities. We strengthened our financial position, deepened customer trust, and aligned our people and capabilities to face the future with confidence.



Dear Stakeholders,

I am pleased to share with you the Annual Report of Blue Star Limited for FY25. This also marks the completion of my first full year as Chairman and Managing Director, a role I take on with great responsibility and commitment.

In the previous financial year, we celebrated Blue Star's 80th anniversary, a landmark occasion that honoured our rich legacy while reaffirming the enduring values that define us — trust, excellence, and innovation. As we look ahead, we do so with clarity of purpose and renewed energy, entering a defining decade that will carry us towards our centennial.

At last year's Annual General Meeting, I spoke of Blue Star entering an exciting phase, backed by strength and ambition to scale new heights. In FY25, we have continued to build on that momentum by deepening our customer focus, advancing our digital and sustainability initiatives and enhancing agility across our operations. In this letter, I am pleased to share how we are shaping a future-ready Blue Star, one that is customer-centric, digitally enabled, operationally agile and environmentally responsible, all while building on the trust we have earned over the last 80 years.

Financial Highlights for FY25

FY25 was not just another successful year; it was a year of meaningful transformation. We delivered our strongest financial and operational performance to date, surpassing the ₹10000 crores revenue milestone and achieving record profitability. These outcomes reaffirm the strength of the strategy we set in motion over the past few years — to focus on our core businesses, grow responsibly, and stay agile and innovative.

The Company concluded FY25 on a strong note, with revenue growing by 23.6% to ₹11967.65 crores. Operating profit rose by a significant 31.8% to ₹875.92 crores. Profit Before Tax (before exceptional items) increased by 38.6% to ₹772.42 crores. Our order book stood at a record ₹6263.36 crores as of March 31, 2025, reflecting sustained demand across segments.

In an all-round performance, every business vertical gained market share, while contributing to a 40-basis-point improvement in operating margin (7.3% in FY25 compared to 6.9% in FY24). Capital employed stood at ₹2427.28 crores as of March 31, 2025, up from ₹2156.70 crores a year earlier, primarily driven by capital investments. Our financial position

remained robust, with a net cash balance of ₹640 crores, compared to ₹456 crores in FY24. Considering this strong performance, the Board of Directors has recommended a dividend of ₹9 per share.

Business Highlights for FY25

The Electro-Mechanical Projects business delivered a strong performance, supported by robust demand from sectors such as manufacturing and data centres. Improved project margins and a robust carried-forward order book contributed significantly to overall profitability.

The Commercial Air Conditioning business sustained its market leadership in ducted systems and grew market share in VRF and chillers. Growth was led by resilient demand from the healthcare, hospitality, and education segments. Looking ahead, the outlook remains positive, bolstered by increased Government capital expenditure. While geopolitical uncertainties and commodity cost pressures may persist, we are confident in our ability to seize emerging opportunities and deliver continued growth.

The international business experienced slower-than-expected traction, impacted by uncertain global trade dynamics. However, we started commercial production for OEMs in the US and European markets and we remain optimistic that momentum will pick up as stability returns.

The Room Air Conditioner business continued its strong trajectory, with exceptional performance in Q4FY25. Channel partners increased inventory in anticipation of a severe summer and potential supply chain disruptions. To meet the rising demand, the Company launched an enhanced range of room ACs, including a new premium flagship series, catering to diverse consumer segments and price points.

The Commercial Refrigeration business rebounded from early regulatory challenges to deliver modest growth, fuelled by enhanced demand from high-growth sectors like ice cream, QSRs, HoReCa, quick commerce, food retail, and healthcare. With per capita income rising and consumption behaviour favouring preserved food, the outlook for this business is very positive.

The Professional Electronics and Industrial Systems business had a challenging year due to regulatory restrictions in our Med Tech vertical and lower demand in the Data Security vertical. With demand and our competitive position

improving in the Industrial Systems vertical, this business is poised for a better year ahead.

The Way Forward

The Indian HVAC&R industry is poised for a decade of exponential growth — driven by low room AC penetration and a rising middle class with increasing disposable incomes, particularly in Tiers 3, 4 and 5 markets.

As we look ahead, our ambition is clear — to grow faster than the market, create long-term value, and get Blue Star ready for the next stage of growth. Our strategy focuses on connected priorities that strengthen our ability to compete, stay strong, and remain relevant over time.

We are scaling with intent, expanding our product portfolio and solution offerings, and have deployed QIP funds judiciously across R&D, manufacturing capacity creation, and digitalisation. These investments are not just growth enablers, but foundational to our ability to deliver products of the highest quality and to respond swiftly and sustainably to evolving market needs. Supporting this growth is a benchmarked quality management, risk management, and business continuity system that helps us move forward with confidence, even during uncertain times.

To maintain market competitiveness, we are leveraging our balanced portfolio across B2B, B2C, and public sector customer segments, which enables us to respond to seasonality and shifting demand with greater agility. Our product development is rooted in deep consumer insights and a forward-looking view of regulatory trends, helping us stay ahead of evolving norms, whether it is energy labelling, refrigerant compliance, or changing customer expectations.

Supporting this competitiveness is a supply chain strategy designed for adaptability and continuity. Strategic sourcing, localisation, and the execution of our Supply Chain Excellence Programme are creating long-term operational advantages and cost efficiencies. With a manufacturing and vendor base spread across India, we have built resilience into our operations, one that is not season-dependent but future-ready. We now factor climate change into our planning and operations, enabling us to manage risks and adapt thoughtfully to a changing environment.

We are also focusing more on international markets, aiming to grow our presence and increase overseas revenues over the next five years. While global conditions remain uncertain, we are working closely with India's changing trade policies to find new opportunities and strengthen our position in the global HVAC&R industry.

As we plan for the future, digitalisation continues to play an important role in our progress. We are using analytics, AI, and automation to support growth, improve profits, and better serve our customers. These technologies help us make smarter decisions, work more flexibly, and drive productivity.

We remain focused on improving the overall customer experience. By strengthening our Customer Experience (CX) function, we aim to provide a consistent and positive experience at every stage. Our goal is to make Blue Star known for world-class customer service. This effort involves everyone including our business teams, partners, and staff — working together to put customers first. To support this, we are strengthening our teams' capabilities and investing in digitalisation to meet and exceed customer expectations.

Partnerships also remain integral to our growth strategy. Across our businesses, we are strengthening collaborations with channel partners, not just as distribution enablers, but as key stakeholders in delivering value to end customers. These partnerships are being nurtured through deeper engagement, joint capability-building, and aligned incentives to ensure a seamless and superior customer experience.

At the core of everything we do is the belief that our people are key to our long-term success. We focus on developing leaders, preparing for the future, and creating a culture based on fairness, innovation, and safety. Through clear succession plans, attention to diversity and inclusion, and bringing in new talent, we stay flexible and ready to adapt. By welcoming people from different backgrounds and industries, we bring together new experiences and ideas. This is enabling us to reinvent ourselves as a high-performance, people-first organisation, that is anchored not only in capability, but in care, safety, and long-term sustainability.

We manage our capital with a long-term perspective, balancing growth plans with building skills and aiming for steady returns. Each investment supports our main strengths, encourages innovation, and aims to create lasting value. This careful approach helps us build a strong and resilient company for the future.

Sustainability is a core part of our work and growth. Our commitment to achieving Net Zero emissions (Scope 1 and 2) by 2035 is matched by our continued leadership in energy-efficient solutions, responsible refrigerant use, and robust e-waste management practices. By following ESG principles across the Company, we aim for a responsible transformation that meets current and future needs.

In Conclusion

FY25 was a year of meaningful progress across our key priorities. We strengthened our financial position, deepened customer trust, and aligned our people and capabilities to face the future with confidence. Every action we took was focused on creating long-term value.

Reflecting on the year gone by, what stands out is not just what we achieved, but how focused and consistent we were in our efforts. Even as the external environment continues to shift, bringing new complexities and opportunities, we remain anchored in our purpose. Our commitment to professionalism and responsibility enables us to handle change, and our focus on innovation keeps us moving ahead.

This progress would not have been possible without the dedication and support of all our stakeholders. I would like

to extend my heartfelt gratitude to our leadership team, employees, business associates, customers, and shareholders for their continued commitment. Your contributions have played a pivotal role in helping us deliver on our goals.

I am confident that the years ahead will shape Blue Star in ways that reflect not only our performance but also our ability to lead with focus and determination. We will continue to challenge limits, investing in the skills we need for the future, and building lasting value, all rooted in the principles that have supported us for more than 80 years.

Yours sincerely,

Vir S Advani

Chairman & Managing Director

Board of Directors





ASHOK M ADVANI

Chairman Emeritus

Ashok M Advani holds an MBA from the Harvard Graduate School of Business Administration, an Electrical Engineering degree from MIT, USA, and a BSc (Honours) from Mumbai University. With a distinguished career spanning over 47 years at Blue Star, Mr Advani served as its Chairman for 33 years. Under his leadership, the Company's revenue grew more than 400-fold and became a recognised leader in the Air Conditioning and Commercial Refrigeration industry in India.

Mr Advani retired from the Board in November 2016, but in recognition of his exceptional leadership and legacy, he was appointed Chairman Emeritus. He continues to be an invitee to the Board Meetings and remains deeply engaged with the Company as an advisor to both the Board and Executive Management.



SUNEEL M ADVANI

Chairman Emeritus

Suneel M Advani is a double graduate in Electrical Engineering and Economics from MIT, USA. He also holds an LLB degree from Mumbai University. Mr Advani spent his entire professional career at Blue Star, beginning as a management trainee in 1969. Over the years, he steadily rose through the ranks, becoming President and Vice Chairman in 1984. In 2014, he retired from his executive role and was designated Vice Chairman of the Board. In December 2016, he was appointed Chairman of the Board, a position he held until his retirement from the Board on March 31, 2019, after 50 years with the Company, including 36 years on its Board.

In recognition of his exemplary leadership, Mr Advani was honoured with the title of Chairman Emeritus. He continues to be associated with the Company as an advisor to both the Board and Executive Management.

During his tenure, Mr Advani played a key role in establishing Blue Star's presence in computer software development and exports. When this division was spun off in 2000 to form Blue Star Infotech Limited, he became Chairman and later Managing Director. He also led many successful joint ventures with global companies such as HP, Motorola, and Stork-Comprimo, in addition to forming strategic partnerships within the Indian air conditioning industry. Mr Advani was instrumental in several corporate acquisitions for both Blue Star and Blue Star Infotech Limited.

Throughout his career, Mr Advani contributed significantly to the industry and trade bodies, serving on the managing councils of several organisations, including the Confederation of Indian Industry (CII). He is also the founder and a Past President of the Refrigeration and Air Conditioning Manufacturers Association (RAMA).

**VIR S ADVANI**

Chairman & Managing Director

Vir S Advani holds Bachelor's degrees in Systems Engineering and Economics from the University of Pennsylvania. He has also completed an Executive Management Programme at Harvard Business School. After a two-year stint in private equity in New York, Mr Advani joined Blue Star Infotech Limited in 2000 and later founded Blue Star Design and Engineering Limited in 2003, where he served as the Chief Executive Officer.

In 2007, he transitioned to Blue Star, assuming the role of Vice President of Corporate Affairs. He was promoted to Executive Director in 2010. In April 2016, Mr Advani was appointed as Managing Director of Blue Star, and in April 2019, he was elevated to Vice Chairman and re-designated as Vice Chairman & Managing Director. In April 2024, he assumed the role of Chairman & Managing Director of the Company.

In his expanded role, Mr Advani serves as the key interface between the Board and Executive Management. He directly oversees various businesses and functions, including Professional Electronics & Industrial Systems, International Operations, Corporate Finance, Corporate Human Resources, Information Technology, and Corporate Planning.

Mr Advani is an active member of the Confederation of Indian Industry (CII), and is currently the Deputy Chairman of the CII Western Region Council.

**B THIAGARAJAN**

Managing Director

B Thiagarajan holds a Bachelor's degree in Electrical and Electronics Engineering from Madurai University. He has also completed the Senior Executive Programme from London Business School. He has more than four decades of experience, having worked for reputable companies such as Larsen & Toubro Limited, BPL Systems Limited and Voltas Limited, prior to joining Blue Star in 1998.

Mr Thiagarajan has handled various assignments in Service Business, Corporate Communications & Marketing and Corporate Affairs & Planning before being promoted to President of the AC&R Products Group in 2009. He was elevated to the Board in 2013 and was appointed as Joint Managing Director in 2016 before taking charge as Managing Director with effect from April 2019. He currently oversees the Air Conditioning and Refrigeration business operations in India, including Sales & Marketing, Manufacturing, R&D, Supply Chain, and Customer Service. His remit also includes Corporate Communications and Public Relations functions.

Mr Thiagarajan plays an active role in various industry forums and is currently a member of the CII National Council, and chairs the CII National Committee on CSR and the CII Trade Fairs Council. He is also the National Chairman of the Indian Green Building Council and Chairman of the CII Green Cooling Council.

In the past, he has been President of Refrigeration and Air Conditioning Manufacturers Association (RAMA), and Chairman of both, CII Western Region and CII Maharashtra State.



PVRAO

Executive Director - Projects,
Solutions & International

P Venkata Rao holds a Bachelor's degree in Mechanical Engineering, an MBA in Marketing, and a Post Graduate Diploma in Industrial Relations and Personnel Management. He has also completed the Senior Executive Programme at London Business School. Mr Rao joined Blue Star in 1985 and has had a distinguished career spanning nearly four decades with the Company.

During his tenure, he has held various roles and played a key role in turning around the Electro-Mechanical Projects business, transforming it into a profitable segment with a distinct value proposition centered on superior project delivery.

As Executive Director – Projects, Solutions & International, Mr Rao oversees the Electro-Mechanical Projects business as well as Central Air Conditioning products and services business in India. He is also leading Blue Star's expansion efforts in the air conditioning and refrigeration markets across the Middle East and Africa.

Mr Rao represents Blue Star Limited as an elected member of the Confederation of Indian Industry (CII), Maharashtra State Council. He is also a Life Member of the Indian Society of Heating, Refrigerating and Air Conditioning Engineers (ISHRAE).



SAM BALSARA

Independent Director

Sam Balsara holds a Bachelor's degree in Commerce and a Post Graduate Diploma from Jamnalal Bajaj Institute of Management Studies. He is the Chairman of Madison World, one of India's largest media and communication agencies, and brings over 50 years of extensive experience in marketing, advertising, and media.

Mr Balsara began his career in 1972 at Sarabhai's, followed by roles at Cadbury India Limited, Contract Advertising Company (WPP), and Mudra Communications before founding Madison in 1988. Under his leadership, Madison Media is ranked by RECMA as the '4th Largest Independent Media Agency' worldwide by billings.

He has received numerous accolades, including being named 'The Most Influential Person in Media' by Economic Times - Brand Equity for 10 consecutive years since 2005, the IAA Leadership Award for 'Media Agency Professional of the Year' in 2013, and the 'Lifetime Achievement Award' in 2009 from the Advertising Agencies Association of India. Mr Balsara served as a jury member at the International Festival of Advertising in Cannes in 2005 and 2014.

He has held prominent positions such as President of the Advertising Agencies Association of India (AAAI), where he remains an Executive Committee member, and Chairman of the Advertising Standards Council of India from 2000 to 2001, where he currently serves as an Advisor. Mr Balsara joined the Blue Star Board in June 2017.



ANIL HARISH

Independent Director

Anil Harish is a Partner at the law firm D M Harish & Co., with a practice encompassing diverse areas such as Property, Exchange Control, Foreign Investments, Trusts, Wills, and both Indian and International Taxation. He has served on the Managing Committee of the Indian Merchants Chamber, Chamber of Tax Consultants, and ITAT Bar Association. Additionally, Mr Harish has held leadership positions in several legal institutions, including serving as Vice President of the Society of Indian Law Firms. Recognised as a leading tax lawyer by the prestigious legal directory Chambers & Partners, Mr Harish has authored numerous articles published in leading newspapers and professional journals.

He joined the Board of Blue Star in November 2017 and is also a Director of reputed companies including Hinduja Global Solutions Limited and Oberoi Realty Limited. Beyond his corporate roles, Mr Harish is actively involved with various educational and charitable trusts and serves as a Trustee of the Hyderabad (Sind) National Collegiate Board.



RAJIV R LULLA

Non-Executive Director

Rajiv Lulla holds a Bachelor's degree in Mechanical Engineering with Electronics from King's College, London, and a Master's degree from Imperial College, London. He is a Founding Partner at Deep Blue Advisors, a technology-enabled financial services firm.

Mr Lulla brings over 25 years of experience as an investment banker, specialising in merger advisory and corporate finance. He has successfully completed transactions with a combined value exceeding \$220 billion across diverse sectors including industrial, infrastructure, transport, and telecom. He has held senior global leadership positions at Merrill Lynch, Credit Agricole Group, and Deutsche Bank, with postings in New York, London, Paris, and Hong Kong. Mr Lulla joined the Board of Blue Star in December 2016.



G MURLIDHAR
Independent Director

G Murlidhar is a Chartered Accountant, Cost & Management Accountant, and Company Secretary, and has completed the Advanced Management Programme (AMP) at Harvard Business School, USA. He is a seasoned finance professional with extensive experience across industries such as insurance, financial services, engineering, pharmaceuticals, and manufacturing. He currently serves as a Non-Executive Director of Kotak Mahindra Life Insurance Company Limited.

Mr Murlidhar was a founding member of Kotak Life Insurance in 2001 and has held several key leadership roles, including CFO and COO. He served as Managing Director and CEO of the Kotak Life Insurance from 2011 until his retirement in 2021. During his tenure, he played a pivotal role in establishing a robust financial and operational foundation and developing a diversified and balanced distribution network.

He has received numerous prestigious awards, including the 'CA Business Leader – Insurance' award from the Institute of Chartered Accountants of India and the 'Insurance CEO of the Year' award from FICCI. As a prominent leader in the insurance sector, he served as Co-Chairman of the Insurance Committee of FICCI, a member of the Executive Committee of the Life Insurance Council, and a member of the Insurance Advisory Committee (IAC) of Insurance Regulatory and Development Authority of India (IRDAI). Mr Murlidhar joined the Board of Blue Star in January 2024.



SUNAINA MURTHY
Non-Executive Director

Sunaina Murthy holds a Bachelor's degree in Molecular Genetics from the University of Rochester and a Master's degree in Biotechnology from Northwestern University. She has also earned an IICA Certificate in Corporate Governance and a Competent Boards Certificate in Climate and Biodiversity.

Ms Murthy began her career as a cancer researcher at the University of Pennsylvania before moving into venture capital with a focus on life sciences. She co-managed a \$3 billion healthcare fund at AIM Capital Management, USA, making investments across biotechnology, medical devices, pharmaceuticals, hospitals, and healthcare services. Since returning to India in 2006, she has consulted for venture capital firms and companies in the life sciences and healthcare sectors, both in the US and India.

She has been a member of the Board of Blue Star Engineering & Electronics since 2023 and has served on the Board of Trustees of the Blue Star Foundation for over 13 years. Ms Murthy joined the Blue Star Board in April 2019.



ANITA RAMACHANDRAN

Independent Director

Anita Ramachandran holds a Master's degree in Business Administration (MBA) from Jamnalal Bajaj Institute of Management Studies, Mumbai. She is a renowned HR expert in India with over 40 years of experience as a management consultant and has received several academic honours.

Ms Ramachandran began her career in 1976 as the first woman consultant in the Management Consultancy division of AF Ferguson & Co, Mumbai. She worked across various domains including industrial market research, strategy, and human resources, eventually becoming a director at the firm. After 19 successful years, she founded Cerebrus Consultants, focusing on HR advisory and organisational transformation. Under her leadership, Cerebrus has partnered with over 800 companies across South Asia on diverse HR projects.

She is widely recognised as an authority in rewards management and serves as a strategic advisor to family groups and mentor to numerous private equity firms and start-ups. Ms Ramachandran has served as an Independent Director on several boards and currently serves on the boards of Grasim, Ultratech, Happiest Minds, and FSN E-commerce, among others.

In addition to her corporate roles, she supports various social sector organisations and is deeply committed to women's empowerment. She has previously been Chairperson of TiE Women, served on the Executive Committee of TiE Mumbai, and was a member of the Advertising Standards Council of India. Ms Ramachandran joined the Blue Star Board in June 2022.



ARVIND K SINGHAL

Independent Director

Arvind K Singhal holds an Engineering degree in Electronics and Communication from IIT Roorkee, which also recognised him as a 'Distinguished Alumnus,' and an MBA in Finance and Marketing from UCLA, USA. He is the Founder and Chairman of Technopak Advisors, one of India's leading management consulting firms focusing on three key sectors that include Consumer Products & Retail, Textiles & Apparel, and Food & Food Services.

He is also currently an Independent Director of Metro Brands Limited & Greaves Electric Mobility Private Limited and on the Advisory Board of Delhi-based Pahle India Foundation (PIF). He joined the Blue Star Board in February 2019.



VIPIN SONDHI
Independent Director

Vipin Sondhi holds a Bachelor's degree in Technology in Mechanical Engineering from IIT, Delhi and a Post Graduate Diploma in Management from IIM, Ahmedabad. He has about four decades of experience in the Manufacturing and Engineering sectors. He has been the Managing Director and Chief Executive Officer of Ashok Leyland, JCB India and Tecumseh India. He has also worked with other reputed organisations, including Tata Steel, Shriram Honda Power Equipment and Escorts Limited.

He is currently Chairperson, National Board for Quality Promotion, Quality Council of India; Member, Technology Advisory Group to Empowered Technology Group (Appointed by Principal Scientific, Advisor to the Government of India); Chairperson of the Confederation of Indian Industry's Green Mobility Council and Member, Governing Board of I-Hub for Autonomous Systems Innovation Foundation, Indian Institute of Science, Bengaluru. In addition, he has been the past Vice President of Society of India Automobile Manufacturers (SIAM). He is on the Board of several 'not-for-profit' organisations such as Bharatiya Yuva Shakti Trust, Ananta Centre and Sasakawa India Leprosy Foundation. He is also an Independent Director and joined the Board of Blue Star in January 2024.



DINESH N VASWANI
Non-Executive Director

Dinesh N Vaswani holds an MBA from the Wharton School of Business and a BBA cum laude from the University of Texas at Austin. He is the Founder and Managing Director of Acuitas Capital Advisors Private Limited, a multi-family investment office that advises families on their investments. He has over three decades of experience in both investing and operating companies in India and the US.

Mr Vaswani was a Managing Director at Temasek Holdings Advisors India Private Limited, established Bessemer Venture Partners' operations in India, and was the CEO of Blue Star Infotech Limited, USA. He has served on several Boards of public and private companies, including Firstsource, Mindtree, Venture Infotech, and Borosil. He joined the Board of Blue Star in December 2016.

Company Overview

Rooted in decades of excellence and trust, Blue Star has earned the confidence of millions across generations, with nearly one in every three buildings in India featuring a Blue Star installation — underscoring its enduring presence and leadership in the HVAC&R industry.



State-of-the-art manufacturing facility in Sri City, Andhra Pradesh

A legacy of Innovation, Trust, and Integrated Capabilities

Blue Star has been a part of India's business and consumer landscape for over eight decades. Founded with a commitment to engineering excellence, the Company has been a trusted name in the Air Conditioning, Commercial Refrigeration, Mechanical, Electrical and Plumbing (MEP) and firefighting solutions. At the core of Blue Star's business is an integrated model that brings together manufacturing capabilities, Engineering, Procurement and Construction (EPC) services, and after-sales service and support — enabling it to deliver comprehensive solutions across residential, commercial, and large infrastructure segments.

Blue Star's philosophy, deeply rooted in the principles of 'Trust' and 'Excellence', continues to guide its journey of sustainable growth and innovation. Reputed for its customer-centric approach, the Company is committed to delivering technologically advanced, value-driven solutions that cater to the evolving and diverse needs of customers. Its inherent agility and resilience enable it to adapt swiftly to market dynamics while maintaining a strong focus on quality and reliability.

Cooling Expertise

At the forefront of innovation and excellence, Blue Star is a leader in cooling solutions, unmatched in its scale, quality, and impact. With a rich heritage of deep domain knowledge, technical prowess, and a highly skilled workforce, the Company has cemented its position as a leader in the industry. Offering an extensive range of cutting-edge cooling and purification solutions, Blue Star has also expanded its horizons into the residential air conditioner market since 2011, achieving an impressive market share.

Project Execution and Mechanical, Electrical, and Plumbing (MEP) Services

Blue Star is a leading provider of MEP services, with its Electro-Mechanical Projects business delivering complex infrastructure and commercial developments across India. The Company's strong track record in delivering complex HVAC&R projects has enabled it to build advanced project management capabilities, ensuring precision, efficiency, and strict adherence to timelines. Leveraging this expertise, Blue Star has earned a reputation for dependable execution, often completing projects ahead of schedule, and reinforcing its position as a trusted partner across construction, infrastructure, and building systems.



Over 8 decades of engineering excellence

Integrated Business Model with End-to-End Capabilities

Blue Star operates through a comprehensive and integrated business model, encompassing manufacturing, Engineering, Procurement and Construction (EPC) services, along with robust after-sales support. This end-to-end approach enables the Company to deliver holistic solutions across the building, industrial, and infrastructure sectors. The integrated structure not only enhances operational efficiency but also ensures agility and responsiveness in meeting customer requirements across diverse project scales and timelines.

After-sales Service Excellence

Blue Star operates one of the largest service networks in India's HVAC&R industry. These 'Gold Standard' services are delivered through a combination of the Company's own infrastructure and capabilities and an extensive nationwide network of service partners. Beyond routine servicing, the Company offers value-added solutions including revamps, retrofits, duct cleaning, and operational support. By leveraging advanced technologies such as remote monitoring, mobile apps, and interactive web portals, Blue Star ensures prompt, efficient, and seamless service across all customer locations.

Market Reach and Customer Proximity

With a well-established channel partner network covering all major regions in India, Blue Star ensures proximity and accessibility for its customers, irrespective of their location. This wide reach allows the Company to deliver not only products, but also provide timely support and service wherever needed.

Manufacturing Excellence and Innovation

Blue Star continues to make strategic investments in enhancing its manufacturing capabilities, leveraging advanced technology, automation, and robotics across its facilities. The Company and its subsidiaries operate seven world-class manufacturing plants across India: in Ahmedabad, Dadra, two locations in Wada, two in Himachal Pradesh, and the latest facility in Sri City established by its wholly-owned subsidiary, Blue Star Climatech Limited. The addition of the new plants in

Sri City and Wada significantly expanded Blue Star's production capacity, positioning the Company to meet the demands of its next phase of growth.

Global Footprint

Blue Star exports HVAC&R products and solutions to over 20 countries across the Middle East, Africa, SAARC, and ASEAN regions, where they perform reliably even in some of the world's most demanding climatic conditions. The Company has also expanded its global presence through strategic joint ventures in Qatar and Malaysia, undertaking MEP projects across residential, commercial, and infrastructure sectors. Further strengthening its international footprint, Blue Star has established wholly-owned subsidiaries in the USA, Europe, and Japan — reinforcing its long-term commitment to global growth and market diversification.

Other Businesses

Blue Star's diversified portfolio includes the marketing, solution design, and maintenance of imported professional electronic equipment and industrial systems, managed through its wholly-owned subsidiary, Blue Star Engineering & Electronics Limited (Blue Star E&E). The subsidiary also offers refurbishment solutions for medical diagnostic equipment. Today, Blue Star E&E is a leading provider of advanced technology products and turnkey engineering solutions, catering to a wide range of industries across India.





CREDO



**I AM BLUE STAR.
I TAKE PRIDE IN
DELIVERING
A WORLD-CLASS
CUSTOMER
EXPERIENCE.**

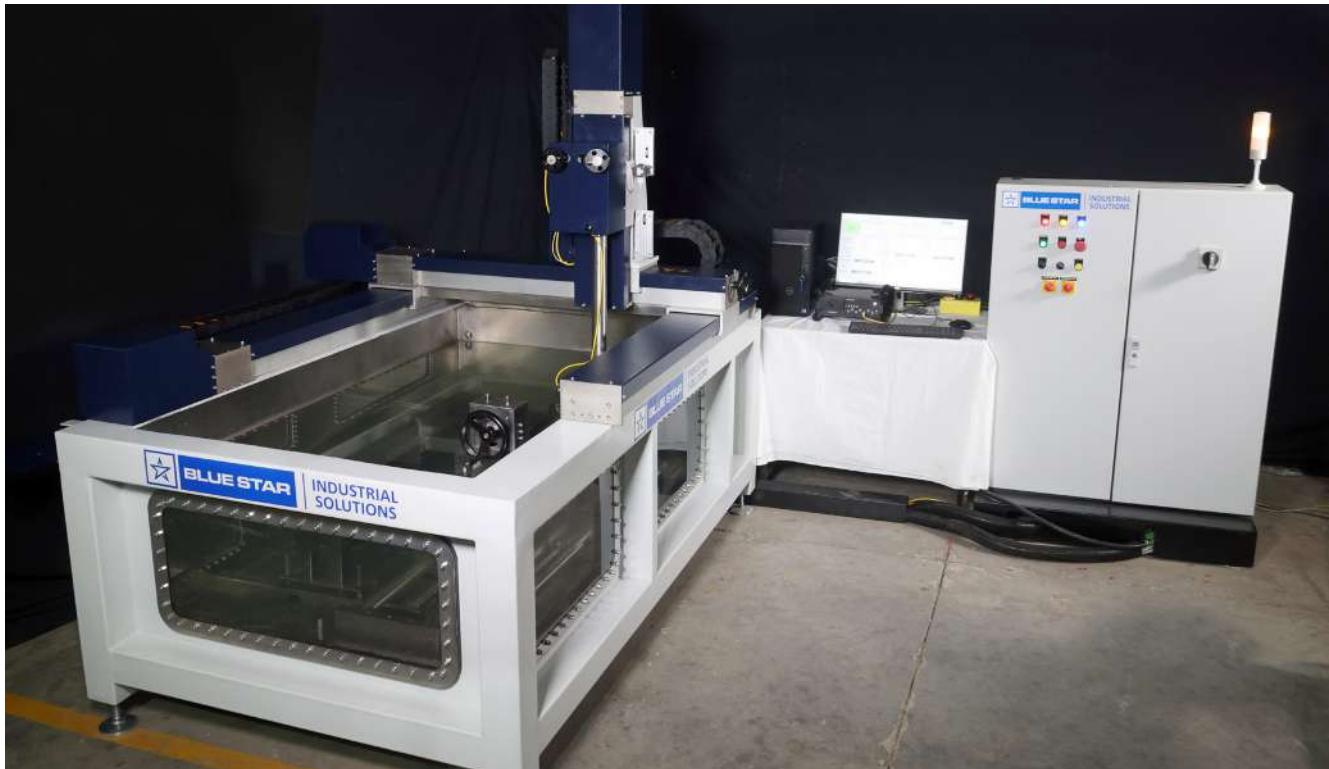


Business Segments

Blue Star operates through multiple strategic business segments, offering a comprehensive portfolio of products, systems, and services. This enables the Company to address varied customer needs across sectors and markets, while driving innovation and operational efficiency.



Outdoor Unit assembly conveyer belt at Sri City Plant



Immersion Ultrasonic Testing System by Blue Star Engineering & Electronics Limited

Electro-Mechanical Projects and Commercial Air Conditioning Systems

This segment encompasses the design, installation, and maintenance of central air conditioning systems, including packaged, ducted systems, Variable Refrigerant Flow (VRF) units, scroll chillers, screw chillers, centrifugal chillers and data centre chillers. It also offers turnkey contracting services across Mechanical, Electrical and Plumbing (MEP), and firefighting domains. The division provides value-added services such as retrofitting, system upgrades, and ongoing operational support to ensure optimal efficiency and performance of electro-mechanical systems.

Unitary Products

This segment focuses on the development, manufacturing, and distribution of a broad portfolio of modern, energy-efficient room air conditioners designed for both residential and commercial use. It also includes an extensive portfolio of commercial refrigeration solutions and cold chain equipment. The segment also includes air purifiers and air coolers.

Professional Electronics and Industrial Systems

For over seventy years, Blue Star has been the exclusive distributor in India for a wide range of internationally acclaimed manufacturers in MedTech, Data Security and Industrial Solutions. Blue Star Engineering & Electronics Limited, a wholly-owned subsidiary of the Company, manages this business segment. The subsidiary also operates a Medical Diagnostic Equipment Warehouse in Bhiwandi, Maharashtra, which manages a wide range of diagnostic imaging systems and spares, ensuring they are well-maintained and readily available for reliable use. Additionally, Blue Star has established two customer experience centres – one in Thane, focused on non-destructive testing solutions, and another in Chennai, dedicated to material testing and metrology solutions.

Industry Structures and Segments

Blue Star is driving growth and innovation in India's evolving HVAC&R industry by expanding its presence and investing in advanced technologies. Through strategic initiatives and a customer-centric approach, the Company is focused on embracing emerging opportunities and delivering sustainable value.



Inverter AC assembly in progress at Sri City Plant

Air Conditioning

The demand for room air conditioners continues to grow steadily, driven by increasing summer temperatures across India and the rising disposable incomes of an expanding middle class. This surge is further fuelled by enhancing adoption in Tier 3, 4, and 5 markets, replacement purchases, and customers purchasing ACs for additional rooms. Industry forecasts indicate that India's AC market is poised to double by FY30. In FY25, the sector achieved robust growth of around 30%, with sales reaching 14 million units, propelled by an intense summer.

The overall market value expanded to ₹35000 crores in FY25, with central air conditioning — including central plants, packaged and ducted systems, and Variable Refrigerant Flow (VRF) systems — accounting for ₹5000 crores, while room air conditioners constituted ₹30000 crores. Blue Star outperformed industry growth, strengthening its market share amidst fierce competition.

As India prepares to welcome approximately 450 million middle-class consumers by 2030, the room AC market stands at an inflection point, set for exponential growth. Key drivers such as rapid housing sector expansion, accelerated adoption of renewable energy, and vibrant rural economic growth are shaping the industry's trajectory. The Company continues to invest in R&D, manufacturing, and supply chain capabilities to leverage these industry trends.

In the year under review, Central Air Conditioning business executed pivotal strategic initiatives, including refreshed product positioning and channel expansion into untapped territories. The Company successfully launched a range of cutting-edge centrifugal chillers, data centre chillers, brine chillers, and residential VRF systems. This helped in garnering substantial market share from sectors such as education, hospitality, retail, and Government.

Blue Star retained its leadership in the ducted air conditioning segment, holding the top rank, and securing a strong top-three position in the VRF and chiller categories. Its market share stood at approximately 20% in VRF systems and screw chillers, while it dominated the ducted systems and scroll chillers categories, commanding shares of 50% and 45%, respectively.



Market Share in
Ducted Systems



Market Share in
Scroll Chillers

Commercial Refrigeration

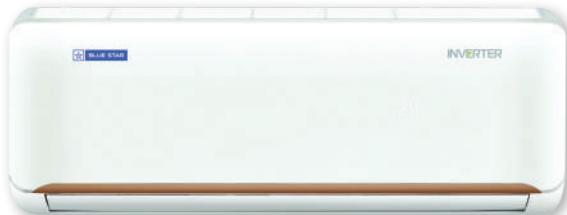
The Company's extensive range of commercial refrigeration products includes deep freezers, bottle coolers, storage water coolers, modular cold rooms, visi coolers, water dispensers, and mini bars. For commercial kitchens, the portfolio features back bar chillers, blast chillers and freezers, reach-in units, saladettes, and under-counters. In the medical sphere, Blue Star provides specialised solutions such as blood bank refrigerators, ice-lined refrigerators, medical freezers, pharmaceutical refrigerators, ultra-low temperature freezers, vaccine transporters, and mortuary chambers. Supermarket offerings include island coolers/freezers, multideck chillers, and upright freezers.

The accelerating trend of out-of-home consumption, particularly of perishable foods, remains a significant growth driver for this business. Blue Star is focused on maintaining market leadership by delivering an innovative range of energy-efficient and eco-friendly products. The Company has invested substantially in digitalisation and Internet of Things (IoT) technologies, enhancing product performance and operational efficiency.



**Out-of-home
consumption driving growth**

Wide Range of Products



Inverter Split AC



Window AC



Fixed Speed Split AC



Air Cooler



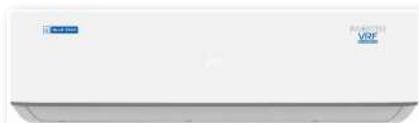
Air Purifier

VRF System

Indoor units



One-way Cassette AC



Hi-wall AC



Ductable AC



Four-way Cassette AC



Concealed Split AC

Outdoor units



Side Discharge



Top Discharge



VRF Lite

Ducted ACs and Packaged Systems



Air Cooled Ducted Split Indoor Unit



Air Cooled Ducted Split Outdoor Unit



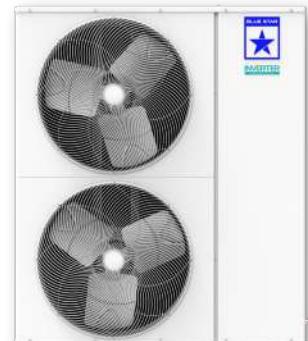
Water Cooled Mini Series Indoor Unit



Water Cooled Mini Series Outdoor Unit



Floor Mounted Packaged Indoor Unit



Inverter Packaged Outdoor Unit



Centrifugal Chiller



Brine Chiller



Water Cooled Inverter Scroll Chiller



Data Centre Chiller



Air Cooled Inverter Scroll Chiller



Cold Room



Four Door Reach-in Chiller



Deep Freezer



Visi Cooler



Bottled Water Dispenser



Mini Bar



Storage Water Cooler

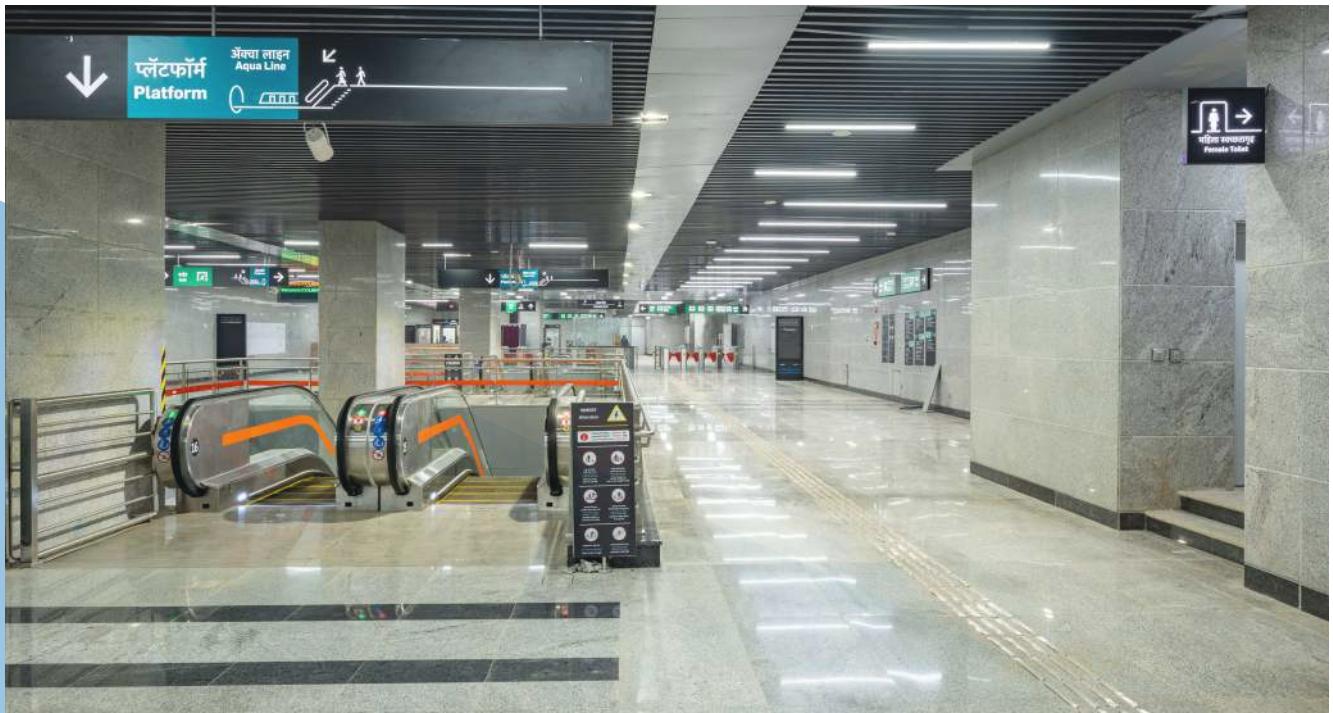


Pastry Cabinet

Prestigious Installations



Magnetic bearing oil-free chillers and MEP works at Meenakshi Super Specialty Hospital, Madurai



Environmental Control Systems (ECS) and Tunnel Ventilation (TVS) works at Mumbai Metro Line-3



Air Insulated Substation (AIS) work in progress at Fatehgarh, near Jaisalmer, Rajasthan



Railway Electrification: 2x25 kV Traction substation work at Gaya, Bihar



VRF and ducted systems at Baroda Cricket Association Stadium



Compressed air station at Kutch Copper Limited, Gujarat



Firefighting work at Phoenix Centaurus, Hyderabad



MEP works at Sky City Mall, Borivali, Mumbai

Expanding Global Presence

With a clear strategic focus on global growth, Blue Star has expanded its international presence through wholly-owned subsidiaries.

These developments reflect the Company's long-term vision to become a leading provider of sustainable and technologically advanced HVAC&R solutions across high-potential global markets. The establishment of wholly-owned subsidiaries — Blue Star North America Inc., Blue Star Europe B.V., and Blue Star International FZCO, UAE — has positioned the Company as a significant player in the HVAC markets across North America, Europe, the Middle East, and Africa. This aligns with Blue Star's vision to capitalise on high-growth regions where demand for energy-efficient and technologically advanced solutions is rapidly increasing. By consolidating its operations in these geographies, Blue Star aims to strengthen capabilities and accelerate its global reach.

America and Europe: Focused Expansion for Sustainable Growth

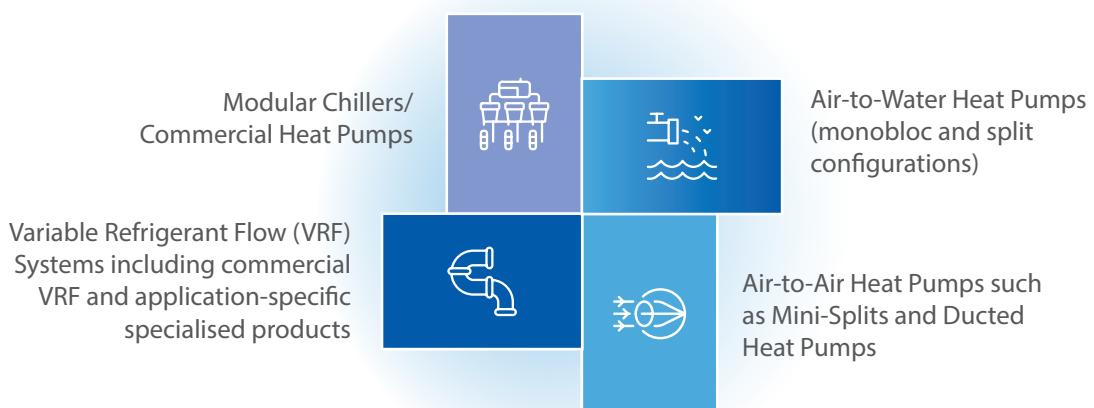
In America and Europe, Blue Star is steadily expanding its footprint through a customer-centric approach that emphasises

custom-design manufacturing. Moving beyond traditional OEM or ODM models offering generic catalogue products, Blue Star collaborates closely with key customers to develop bespoke HVAC&R solutions tailored to specific market needs. This approach helps build differentiation through design, bridge product gaps, shorten time-to-market, and foster innovation across key product lines including heat pumps utilising inverter technologies, and low-GWP refrigerants.

Middle East, Africa, SAARC, and ASEAN: Geographical Expansion by building distribution network

Blue Star continues to grow its footprint across the Middle East, Africa, SAARC, and ASEAN regions via Blue Star International FZCO, headquartered in the UAE. This subsidiary oversees operations, joint ventures, and exports in over 20+ countries focusing on HVAC systems and solutions across residential, commercial, and industrial sectors. Despite geopolitical challenges, Blue Star has sustained steady market growth in FY25, with enhanced product offerings such as VRF systems and AHRI-certified chillers and enhanced market coverage through channel expansion strategies receiving positive market response, particularly in the UAE and GCC countries.

The product portfolio in these regions includes:



These offerings are designed to integrate seamlessly with customer systems, delivering superior energy efficiency and sustainability — critical factors shaping the HVAC market today.

Commitment to Technological Excellence and Innovation

Blue Star's growth in America and Europe, Middle East, and Africa, is supported by significant investments in research and development, backed by seven state-of-the-art manufacturing facilities and three innovation centres spanning over 1.2 million sq. ft. This robust infrastructure ensures the delivery of high-quality, precision-engineered products aligned with the Company's practice of right-first-time. It also enables Blue Star to meet the evolving requirements of the North American, European, Middle Eastern, African, and United Kingdom markets with cutting-edge solutions.

Sustainability and Customer-Centric Innovation

A core driver of Blue Star's product development strategy is its unwavering focus on sustainability and energy efficiency. The Company is committed to delivering HVAC solutions that are both technologically advanced and environmentally sustainable. Emphasising on heat pump decarbonisation technologies, Blue Star addresses the energy transition priorities of key markets. With a legacy spanning over 80 years, the Company continues to collaborate closely with customers, ensuring its solutions meet present and future demands for sustainable, energy-efficient performance.

Brand Visibility and Market Recognition

Aligned with its growth strategy, Blue Star is increasing brand visibility through prominent industry platforms. At ISH Frankfurt in March 2025, the Company showcased its expertise in custom-design manufacturing, reinforcing its global market position. Marketing campaign themed 'We Go Beyond' further highlights Blue Star's commitment to customer-centric innovation and industry leadership.

Future Outlook: Consolidating Market Leadership

Looking ahead, Blue Star is firmly committed to executing its strategic vision of becoming a global leader in the HVAC industry. Continued emphasis on manufacturing, technological innovation, and sustainability positions the Company to capitalise on increasing demand for energy-efficient solutions across America, and Europe, the Middle East and Africa (EMEA) regions. Supported by strong market fundamentals and customer-centric strategies, Blue Star is poised to advance its leadership role as a trusted partner delivering state-of-the-art and sustainable HVAC solutions globally.



Trusted in over 20 countries



'We Go Beyond' brand awareness campaign in Dubai

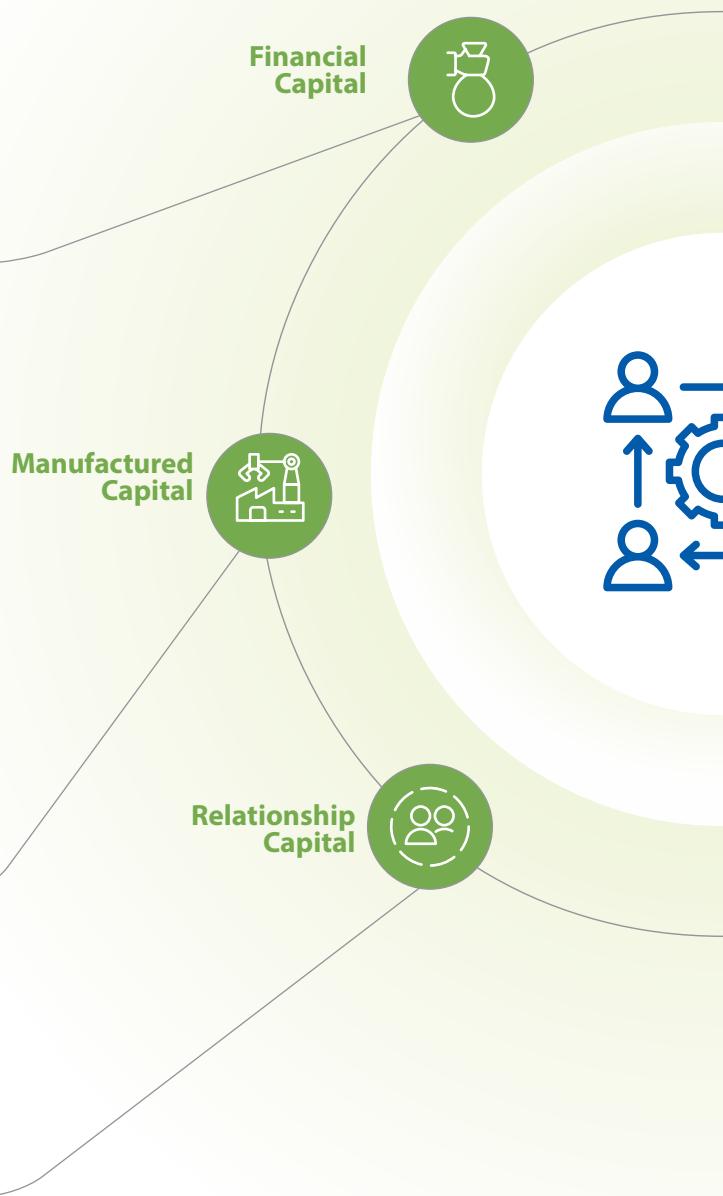
Enhanced Value Creation

Blue Star creates long-term value through a balanced focus on innovation, sustainability, and stakeholder engagement. The following highlights key initiatives and achievements across its core areas of value creation.

- Maintained robust profitability enhancing shareholder returns
- Demonstrated strong liquidity and balance sheet health
- Ensured efficient working capital management
- Practised prudent capital deployment to support future growth

- Dadra Plant awarded IGBC Gold certification and NAMC Gold award for manufacturing excellence
- Plant layout and material flow optimisations undertaken at Ahmedabad and HP Plants for productivity and ergonomics
- DOJO training centre established at Ahmedabad Plant for safety and technical skill development
- Fire safety infrastructure upgraded at Ahmedabad Plant as per emergency response norms
- All plants implemented engineering controls, HIRA assessments and adopted 12 key safety standards to strengthen workplace safety
- HP Plant executed VMapQ projects for material flow efficiency and deskilling initiatives like vision-based inspection and ultrasonic sealing
- Significant upgrades in safety infrastructure at HP Plant, including 360° machine guarding, fall arrest systems, scissor lifts, and hazard energy control

- Nurtured and strengthened robust relationships with all stakeholders:
- Customers
 - Employees
 - Suppliers
 - Channel Partners
 - Shareholders
 - Bankers
 - Debenture Holders
 - Other Stakeholders





Financial

Capital

Blue Star has concluded the fiscal year with outstanding performance. The Company reported record revenue and profits. Healthy balance sheet supported by robust carried forward order book provides necessary support to growth strategies.



Robust Growth



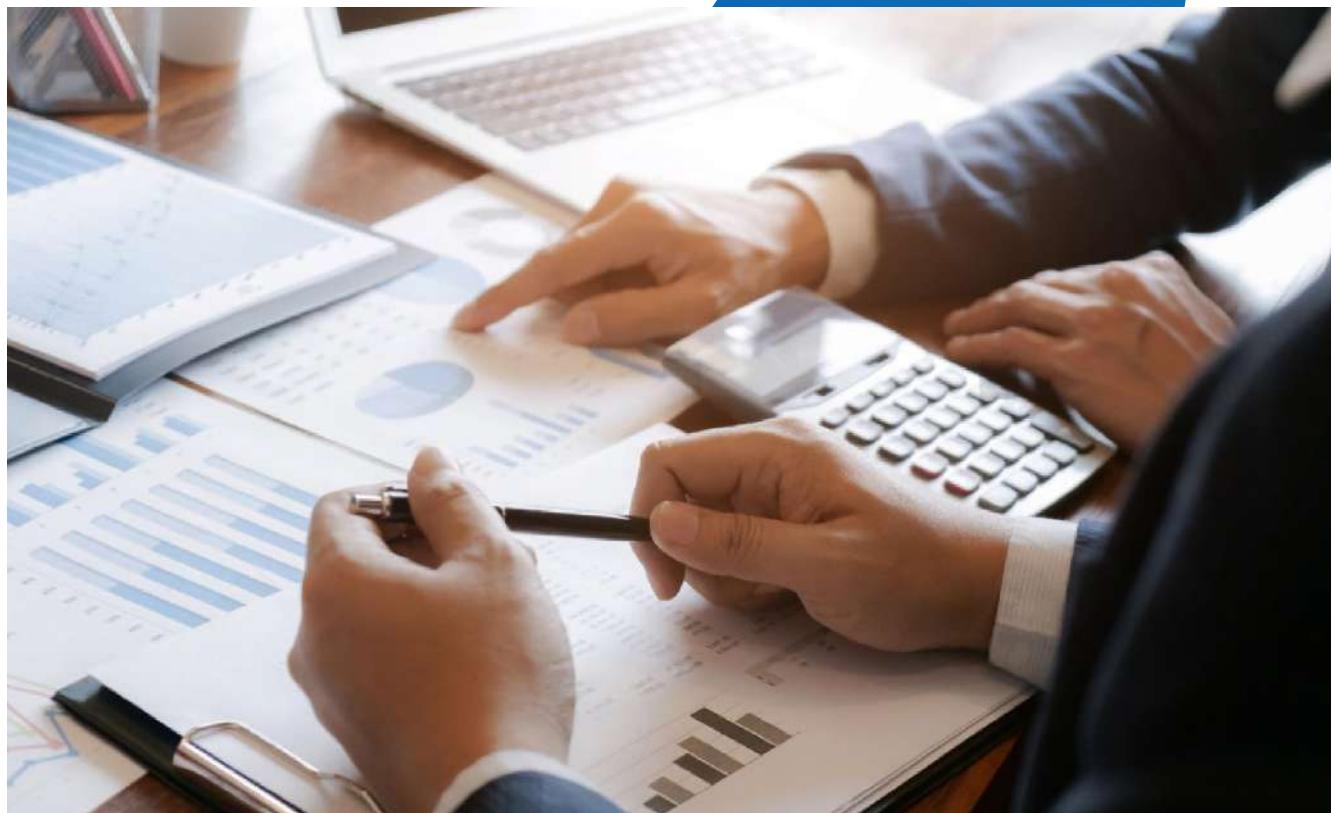
High Returns

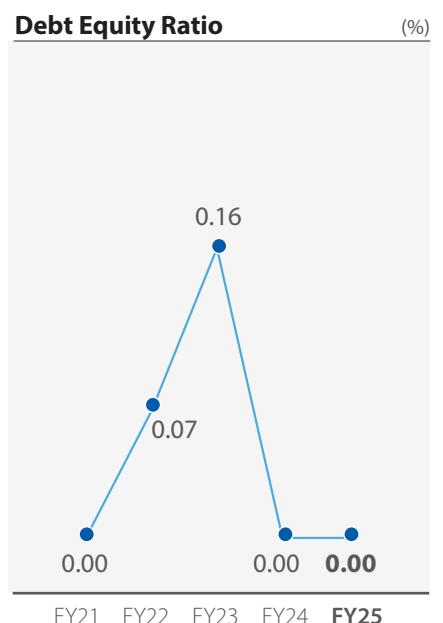
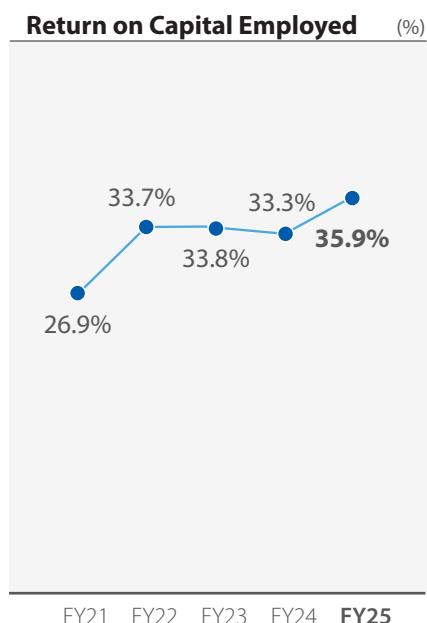
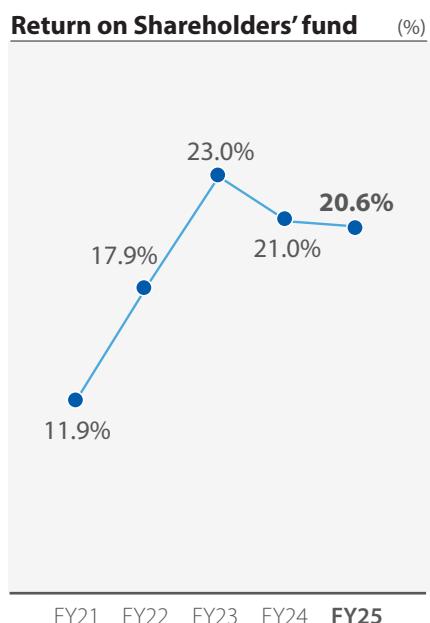
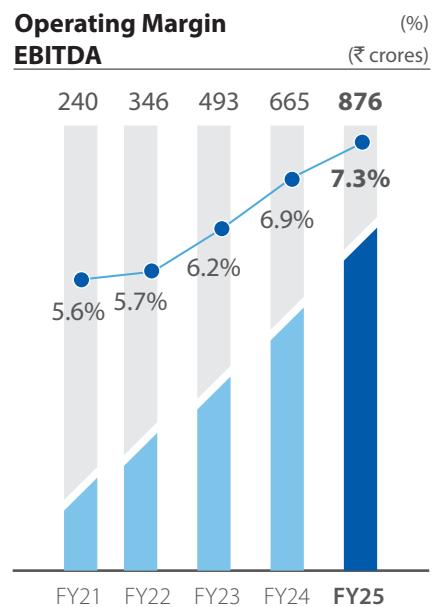
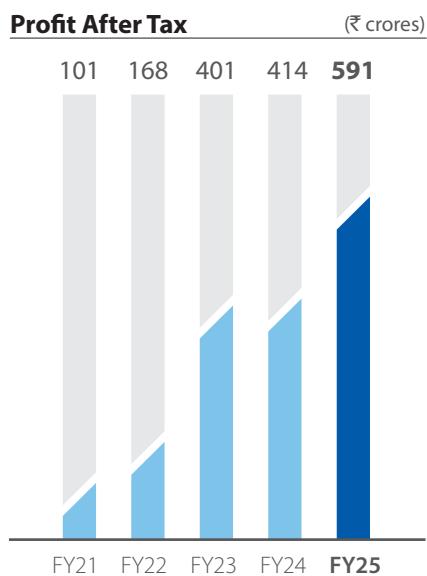
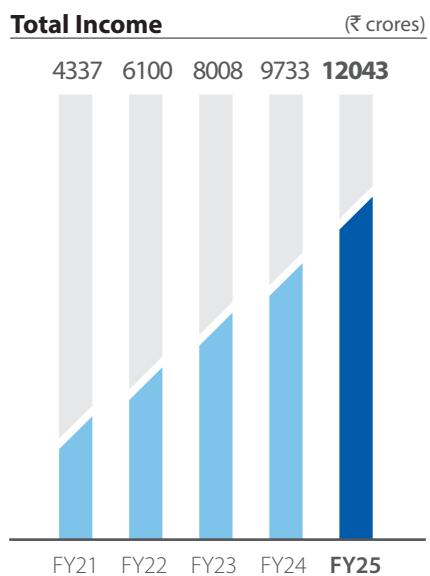


Comfortable
Liquidity Position



Strong Balance
Sheet





Manufactured Capital

Blue Star remains committed to advancing manufacturing capabilities through continuous improvement, innovation, and sustainable practices. By focusing on lean processes, quality, safety, and digital integration, alongside ongoing expansions and a strong emphasis on people and workplace culture, the Company has driven efficiency, product excellence, and strengthened its leadership in manufacturing.



Quality Excellence



Capacity Expansion



Sustainability Focus



Employee Empowerment



Heat-Cool unit assembly at Wada Plant

Manufacturing Excellence and Strategic Growth

Blue Star's manufacturing ecosystem demonstrates its strategic commitment to future-ready operations, anchored in robust infrastructure, technological innovation, and people development. With seven advanced facilities nationwide – Sri City Plant in Andhra Pradesh of Blue Star Climatech Limited, Dadra and Wada Plants in Maharashtra, Ahmedabad Plant in Gujarat, and plants in Himachal Pradesh – the Company continues expanding its capabilities. Notably, the Dadra Plant earned the prestigious IGBC Gold certification during the year. Under its ongoing 'Manufacturing Excellence Programme', initiated in 2016, Blue Star prioritises lean manufacturing, technology upgrades, and quality enhancement. This programme cultivates a culture of continuous improvement, operational efficiency, and product distinction.

The Company emphasises supplier excellence, smart logistics, Industry 4.0 adoption, and competency development to unlock holistic value. With Six Sigma deeply ingrained, Blue Star achieves cost and quality gains across all plants, each of which is IMS certified. Focus areas such as safety, quality, delivery, cost, and people are upheld through best-in-class practices in hazard control, machine safety, and employee wellbeing. Initiatives like near-miss campaigns, safety Kaizens, and gender-inclusive hiring at Sri City, Wada, and Ahmedabad Plants reflect the Company's inclusive and safe workplace culture. Through digital and robotic automation, Blue Star leads in deploying Industry 4.0 solutions. Recognition from national and global platforms for excellence in Kaizen, 5S, automation, and quality further strengthens its manufacturing leadership.

Dadra Plant:

Dadra Plant remains a cornerstone for quality assurance and process innovation. Holding a valid BIS licence until September 2028, the plant successfully completed two surveillance audits in FY25, affirming its regulatory compliance. During the year, it executed seven quality improvement projects – including three Six Sigma and four Quality Circle initiatives – with one Quality Circle project earning a prestigious Gold Award at the international ICQCC forum in Sri Lanka.

Operationally, the plant enhanced safety systems by deploying advanced safety sensors and machine guarding, contributing to a safer workplace. Capacity expansion included the introduction of new equipment such as a shrinkless expander and a 7mm hairpin bender, coupled with a revamped coil shop layout to optimise workflow. Ten Lean Manufacturing projects delivered measurable productivity gains and waste reduction, while digital transformation progressed with the implementation of a Digital Process Audit system and Industry 4.0 platforms for real-time monitoring.

Employee development was prioritised, with the plant's teams securing regional and national quality awards, highlighting a culture of continuous improvement. Energy conservation initiatives, including the replacement of air conditioning systems with energy-efficient alternatives and a rooftop solar installation generating over 128,000 kWh, culminated in the plant receiving the IGBC Gold certification. Value Analysis and Value Engineering (VAVE) efforts resulted in significant cost and time savings, contributing ₹5.24 crores in FY25.

 ₹5.24 crores saved
through VAIVE initiatives



Ongoing e-cell operations at Dadra Plant

Himachal Pradesh Plants:

The two manufacturing plants in Himachal Pradesh have continued to deliver outstanding performance, collectively achieving a significant production milestone of 5.8 million room air conditioner units since inception. With the rapid growth of the market, the plants have focused on strengthening vertical integration and enhanced total installed annual capacity to 9.36 lakhs split air conditioners. The recent commissioning of a state-of-the-art fin line from Hidaka, Japan has boosted the annual heat exchanger production capacity to 19 lakhs units, significantly reducing reliance on external suppliers.

Technological upgrades included the installation of helium leak detection chambers and shrinkless FTHX expanders, enhancing product reliability. Lean manufacturing practices were implemented to improve operational efficiency, with streamlined cycle times and better assembly line balancing. Material flow optimisation was achieved through VMapQ projects, enabling enhanced service to both domestic and export markets, including Europe and the Middle East.

Innovation remained a strong focus, with the launch of over 40 new models in FY25. These included AI-enabled products featuring advanced 'Defrost Clean Technology' and 'Convertible 6-in-1 Cooling'. Testing facilities were also upgraded to align with BIS standards, and updated BIS licences were secured for the newly developed models.

Under the Net Zero initiative, the plants achieved significant environmental milestones, including annual electrical energy savings of over 75000 kWh and a reduction in carbon emissions exceeding 60 tonnes, driven by equipment upgrades and improvements in motor efficiency.

Workplace safety and employee welfare were significantly enhanced. Safety infrastructure improvements included 360-degree machine guarding, personal fall arrest systems, scissor lifts for safe height work, and effective

hazardous energy control. Deskilling initiatives such as the implementation of camera-based inspection and ultrasonic sealing machines further advanced automation and safety.

Employee engagement and inclusion saw major strides, with a record ICSS score of 94% and the successful induction of 10% female operators on the shop floor. These achievements reflect a strong commitment to gender diversity and employee well-being.

The plants received multiple national and international accolades, including five Gold and Platinum awards at CII and QCFI Quality Circle competitions, and a prestigious Gold Award at the QCFI Offshore Convention in Thailand. Additionally, a Quality Clinic was established based on aerospace industry benchmarks to further enhance customer satisfaction.



Hairpin Bending Machine at the Coil shop at Himachal Pradesh Plant



A glimpse of Blue Star's Himachal Pradesh Plant



Exterior view of the manufacturing facility at Wada

Wada Plants:

The Wada Plants continued to strengthen its reputation for superior product and process quality, securing multiple certifications such as ASME, PED, Lenor, and Intertek. In FY25, it completed 18 quality enhancement projects, including nine 'six sigma' initiatives and five '7QC projects'. The plant earned the 'Excellence in Quality Award' from Manufacturing Today and won the Control and Shutdown category in the 17th CII National Poka Yoke Competition.

Supporting product diversification and operational scale, the plant commissioned a 1000 TR centrifugal chiller run test facility, a 7mm fin line, and upgraded infrastructure with a 4000 kVA transformer and dedicated assembly lines. Automation was advanced through the deployment of camera-based inspection systems, online packing, and helium leak detection setups to ensure superior quality standards. Preparations for refrigerant transition included establishing an internal setup for R454B refrigerant compatibility.



**4000 kVA
new transformer installed**

Employee development remained a key focus, featuring specialised health and wellbeing sessions, collaboration with the College of Engineering, Pune for management training, and extensive skill enhancement programmes in quality methodologies. The plant's energy conservation measures resulted in significant reductions in electricity consumption

and carbon footprint, including a 3.1 MW rooftop solar system generating nearly 2.9 million kWh annually. These efforts earned the plant an 'Excellence in Performance' award at the CII Performance Excellence Awards.

VAVE initiatives delivered cost savings of nearly ₹14 crores, reflecting a strong culture of continuous improvement and operational efficiency. The plant also received the NAMC Gold Medal for its exemplary competitive strategy and operational excellence.



**18 enhancement projects
completed in FY25**



Precision welding of a chiller shell at Wada Plant

Ahmedabad Plant:

The Ahmedabad Plant is a benchmark facility producing deep freezers and chest coolers, equipped with automated Special Purpose Machines and a sophisticated foaming plant. As an early adopter of environment-friendly refrigerants and blowing agents, the plant has implemented cost optimisation initiatives without compromising product functionality, resulting in enhanced product margins.



Gold Award at the Quality Concept Convention



Computerised performance testing room at Ahmedabad Plant

Productivity improvements included machinery re-layout, upgraded electrical systems, and the installation of an indigenised Tube Wrapping machine to improve output and safety. Infrastructure upgrades such as new material handling equipment and the replacement of the asbestos roof with a PPGI EPE insulated roof have improved ergonomics and reduced shopfloor temperature by 2-3°C. A visual SQPDC dashboard was implemented to monitor safety, quality, people, delivery, and cost metrics.

Quality initiatives feature advanced safety testing systems and a precision leak detection sniffer ensuring zero defect finished goods. The plant's product performance lab was recalibrated to meet BIS and BEE standards. The plant's cross-functional team was honoured with a Gold Award at the National Convention of Quality Concepts.

Digital and IoT initiatives include live production monitoring and SAP-based vehicle tracking for enhanced material control. Sustainability efforts encompass water conservation drives and reuse of treated water from the Sewage Treatment Plant. The EHS framework was bolstered with a DOJO training centre, digital visitor management, safety audits, and fire safety enhancements. Regular health and safety training and employee wellness programmes continue to build a resilient workforce.



Zero defects ensuring the plant's quality goals



Blue Star's manufacturing facility at Ahmedabad

Sri City Plant:

The Sri City Plant, a Blue Star Climatech Limited facility, operational since January 2023, has rapidly scaled production of air conditioners, underpinned by extensive automation including robots, auto-guided vehicles, and transfer conveyors to optimise quality and throughput. The plant boasts a state-of-the-art powder coating facility featuring a nano-ceramic pre-treatment process with zero effluent discharge, reinforcing environmental compliance.

This unit is leading the in-house manufacturing of cassette air conditioners within the Blue Star Group. The facility earned the IGBC Gold Rating for eco-friendly building practices and commissioned a 1.4 MW rooftop solar plant as part of its green initiatives. Gender diversity is a notable strength, with female operators constituting 45% of the workforce.

The plant has been recognised with a Gold rating in the National Award for Manufacturing Competitiveness (NAMC) assessment, underlining its operational and strategic capabilities.



Tandem H Frame Press Machines in fabrication shop at Sri City Plant



45% female workforce



Zero effluent discharge
achieved



Blue Star Climatech Limited's state-of-the-art Sri City Plant

Intellectual

Capital

Innovation lies at the core of Blue Star's growth strategy, with R&D serving as a critical driver of product excellence and customer value. Continued investments in infrastructure, talent, and technology are enabling the Company to deliver advanced, future-ready solutions tailored to evolving market needs.



Expanded Commercial Offerings



Global Market Expansion



Accelerated Core Technology Development



New Patent Filings



Blue Star's Ashok M Advani Innovation Centre in Bhiwandi, Maharashtra

Blue Star operates one of the most advanced R&D centres in the Indian HVAC&R sector, staffed by a team of nearly 300 skilled professionals. The facility is equipped with cutting-edge infrastructure, including performance testing laboratories, reliability testing facilities, electronics labs, 3D modelling and virtual simulation tools, and high-end CAD workstations. The Company follows a structured New Product Development (NPD) process, which facilitates the consistent launch of innovative and best-in-class products designed to address the evolving needs of its customers.

A pioneer in the introduction of advanced technologies and energy-efficient solutions in India, Blue Star continues to invest in the enhancement of its infrastructure and design capabilities. The Company places significant emphasis on the development of customer-centric products that leverage next-generation technologies.

Significant progress was achieved during the year in the design and development of Variable Refrigerant Flow (VRF) systems and heat pumps. This advancement was further supported by the commissioning of new performance test laboratories at the Ashok M Advani Innovation Centre near Thane. These laboratories are specifically designed to test air-to-air and air-to-water heat pumps in accordance with Indian, European, and American standards, and can simulate ambient conditions ranging from -30°C to 60°C. Additional facilities have been established for testing aspects such as electrical and mechanical safety, weather resistance, and transportation durability. This state-of-the-art centre is proving to be instrumental in enabling the Company to develop and introduce heating and cooling solutions tailored for markets in North America and Europe.

The Company's performance test laboratories located in Thane, Dadra, and Wada are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). Furthermore, the air-cooled and water-cooled chiller test facilities at Wada are certified by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), underscoring Blue Star's commitment to the highest standards of quality and compliance.

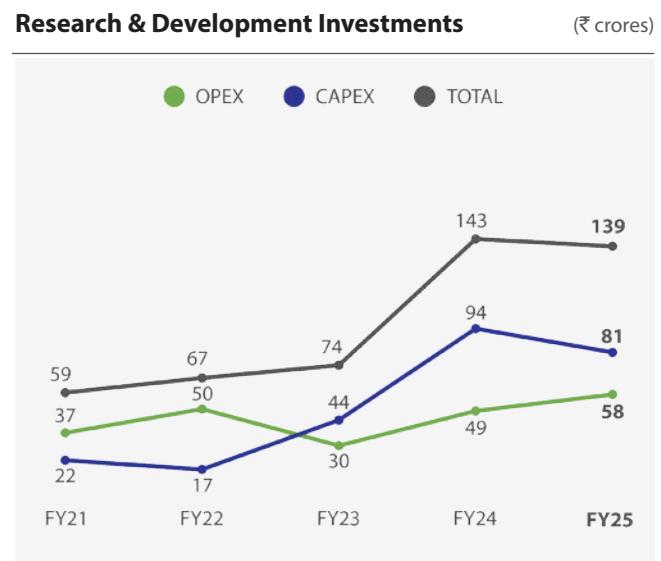
To fast-track its innovation programmes, Blue Star has launched the Ashok M Advani Innovation Mission, which aims to accelerate R&D efforts across its centres. In line with its focus on intellectual capital creation, the Company continues to implement specialised skill development programmes for its engineers and management professionals.

65 design registrations and 55 patents filed

During FY25, Blue Star filed nine new patent applications and was granted one patent. As of March 31, 2025, the Company had filed a total of 55 patents across its product categories along with 65 design registrations, and remains optimistic about securing additional grants in the near future.

Blue Star's technical acumen is well recognised by policymakers, and the Company plays a vital role in the formulation of national standards related to energy efficiency and safety. It also actively represents the HVAC&R industry in various national and international forums.

With continued investments in technology, infrastructure, and skill development, Blue Star's R&D capabilities remain well aligned with the requirements of both domestic and global markets. This strategic focus has enabled the Company to sustain its innovation momentum, consistently introducing new products and broadening its portfolio with an increasing range of variants and models across categories.



Room Air Conditioners

Blue Star continued to reinforce its presence in the room AC category through a diverse and energy-efficient product portfolio, aligned with the latest BEE energy-efficiency standards.

Split ACs

The Company strengthened its split AC portfolio with upgraded 3-Star and 5-Star inverter models and introduced a 3-Star fixed speed range. New premium aesthetic options - such as black, maroon, silver, and wooden finishes — were added to enhance design appeal. All inverter models are now smart ready, offering easy upgradability via optional Wi-Fi modules.

Energy-Efficiency Models

Super-efficient split ACs in 1TR and 1.5TR variants were launched, delivering 17% to 25% higher energy efficiency than standard 5-Star models under BEE ratings.



Light Commercial Air Conditioners

Blue Star expanded its light commercial air conditioners portfolio to address a wider spectrum of commercial applications while meeting BEE and BIS QCO standards.

Key launches included:

- Enhanced 3-Star mega split ACs
- Upgraded cassette ACs in fixed speed and inverter versions (1.5TR to 4TR)
- New 5-Star inverter cassette ACs in 1.5TR, 2TR, and 3TR capacities

The development of in-house ACs supports the 'Make in India' initiative and enables quicker adaptation to regulatory changes.

Hot & Cold ACs

To meet all-weather comfort needs, the Hot & Cold range was expanded with a new 1TR model along with upgraded 1.5TR and 2TR units. These models deliver 3.5 to 4 times greater efficiency than conventional heat convector units.

Smart ACs

The smart AC lineup was further enhanced with AI-driven 3-Star and 5-Star models featuring advanced capabilities such as AI Pro+, iRest, BluProtect, Defrost Clean, and Voice Assistant Compatibility. These features improve user convenience, boost energy efficiency, and support sustainability goals.

Window ACs

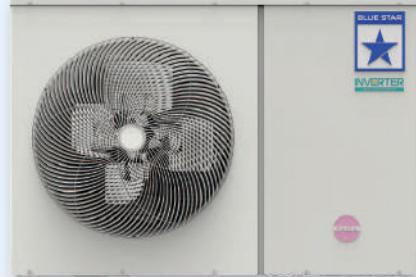
New models were introduced in both 3-Star and 5-Star inverter categories, along with 3-Star fixed speed units. These models, available in capacities ranging from 0.7TR to 2TR, are fully compliant with BEE norms.



Commercial Air Conditioning

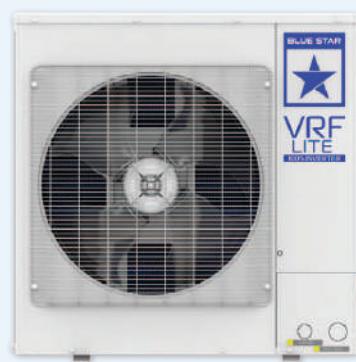
VRF Systems

Blue Star introduced its new residential VRF series, VRF Lite, incorporating compact outdoor units with high-efficiency exchangers and BLDC fan motors. This series supports various indoor unit types, enhancing design flexibility for premium residential projects.



Ducted Systems

The Company launched inverter concealed split systems in 1.5TR and 2TR capacities, suitable for upscale residential and hotel applications. It also launched QCO-compliant commercial heat pump systems.



Packaged ACs

A new generation of packaged air conditioners with increased airflow and improved serviceability was launched, compliant with cooling and heat pump QCO requirements. Blue Star continues to offer the industry's widest range in this category.

Chillers and Heat Pumps

Chillers

Blue Star expanded its chiller portfolio with:

- Centrifugal chillers (500TR to 1000TR), designed for optimal performance even under high ambient conditions
- Air-cooled chillers for data centres (350TR to 550TR) with advanced features like EC fans, PM motors, and refrigerant leak detection
- Brine chillers for process and pharma applications, extended to temperatures down to -20°C

A record 560 star-labelled models, spanning scroll, screw, and centrifugal variants were developed in preparation for mandatory star labelling effective July 2024.

Heat Pumps

To strengthen its international presence, Blue Star introduced R454B-based air-to-air heat pumps (2TR to 5TR) for the US market and commenced supplying R32 inverter outdoor units for hybrid air-to-water systems in Europe.



Commercial Refrigeration

Deep Freezers

The Company focused on key accounts expansion and customisation, offering branded variants tailored with specific design features. A new economical 300L model was launched, and the indigenised cooler-cum-freezer helped reduce reliance on imports.

Storage Water Coolers

In lieu of the QCO guidelines, Blue Star upgraded its entire range to comply with IS 1475:2024 standards and launched R32-based variants to support the refrigerant transition strategy.

Refrigeration for Cold Rooms

Blue Star launched high-temperature scroll condensing units for cold rooms, compatible with low-GWP refrigerants and equipped with IoT-based performance monitoring. These units were honoured with an innovation award at Refcold 2024.





Human Capital

Blue Star continues to foster a culture of continuous learning and growth across the organisation.

In FY25, the Company strengthened talent development, diversity, and digital transformation through strategic partnerships and innovative initiatives, enhancing workforce capabilities and reinforcing its reputation as an employer of choice.



Future-Ready
Workforce



Strengthened Technical
Capabilities



Award-Winning
Learning Culture



Digitally
Transformed HR



MoU signing between Blue Star and BITS Pilani, Hyderabad for B.Tech Programme



Core development workshop with StarLead Batch II

In line with Blue Star's vision to be a continuous learning organisation, the Company pursued structured education and development initiatives through partnerships with leading institutions, including S P Jain Institute of Management & Research and BITS Pilani. These initiative supported career progression and helped strengthen talent retention and attraction.

In FY25, Blue Star recorded over 52000 hours of classroom learning — averaging 1.8 learning days per employee — and 7750 hours of digital learning on its 'iLearn' platform. The Company conducted 138 blended learning sessions, achieving full training coverage for the management workforce. A gamified learning initiative, the Inquisitive-Learners Premier League, significantly boosted course enrolments and completions, earning Blue Star the UBS Forums Award for Excellence in Upskilling Programmes.

All People Managers were certified through the Great Managers Institute (GMI), and three were recognised among India's Top 100 Great People Managers. The StarLead programme continued to develop high-potential employees, with its first cohort completing the programme in October 2024.

As of March 31, 2025, the management staff totalled 3418, of which 21% is Gen Z and 10.4% is women. Over 850 management employees were hired during the year, including 44 campus recruits. Focused engagement and development initiatives reduced attrition to 15%,

down from 15.6% in FY24. Leadership programmes such as Emerging Manager and Senior Manager won six Brandon Hall HCM Excellence Awards. The Leader Speak series continued to promote Blue Star's values through leadership insights.

Nearly 500 operators, including 125 women, were made permanent in FY25. Women comprises 13% of the workforce in factories, with their stories highlighted through the Star Women digital campaign. The SheEvolve initiative was launched to support women in leadership roles through blended learning programmes.

To strengthen technical competencies across its ecosystem, the Company inaugurated the Academy for Technical & Functional Excellence (ATFE) in Chennai, extending training support to both, employees and channel partners.

Under Project Xcelerate, Blue Star fully digitised its recruitment processes using a centralised Applicant Tracking System (ATS) on an internal HR platform. Enhancements to the HRMS portal and the launch of the TARA chatbot improved employee experience and real-time support, while leadership dashboards provided key workforce insights.



Focused leadership development programmes

Relationship Capital

At Blue Star, enduring relationships with customers, suppliers, channel partners, shareholders, and financial institutions are built on a foundation of integrity, transparency, and mutual respect. The Company actively nurtures these relationships through ongoing engagement, value creation, and a thorough understanding of stakeholder priorities, thereby strengthening its position for sustainable, long-term growth.



**Customer Centricity
and Experience**



**After-Sales Support and
Service Innovation**



**Supply Chain
Excellence**



**Shareholder and
Investor Relations**



Blue Star's mobile refrigeration service van

Customer Centricity

Customer centricity remains a cornerstone of Blue Star's corporate strategy and operational approach. The Company is steadfast in its commitment to exceeding customer expectations through the delivery of differentiated, high-quality products and services. The Company consistently strives to surpass customer expectations by offering differentiated, high-quality products and services. This unwavering commitment has driven marked improvements in customer satisfaction across diverse segments. Blue Star also integrates safety and environmental responsibility into its offerings and operations, ensuring alignment with evolving customer needs and sustainability goals.

Value Creation through After-sales Support

As one of the largest HVAC&R after-sales service providers in India, Blue Star delivers a seamless, high-quality customer experience that reinforces long-term trust and loyalty. Recognising that robust after-sales support is a key differentiator in the HVAC&R industry, the Company has prioritised excellence in service responsiveness and reliability.

To enhance customer engagement and strengthen digital capabilities, Blue Star has deployed a new Customer Relationship Management (CRM) system built on the Salesforce platform. This investment is designed to exceed customer expectations and foster long-term relationships. The CRM system offers several key advantages, including:



Quicker response time
and efficient resolution of service requests



Uniform customer experience
across all channels and interactions



Proactive communication
and engagement with customers



Tailored services,
aligned with individual preferences and historical data

To further strengthen service delivery, Blue Star has established electronic repair centres in 14 locations across the country, enabling faster and more efficient availability of PCBs and controllers. This initiative contributes to the circular economy and ensures faster turnaround time for customer complaints. Additionally, to promote sustainability, Blue Star has partnered with regional e-waste recyclers for eco-friendly disposal of defective spare parts collected from channel partners.

Blue Star places significant emphasis on skill development within its service network. The Company has established training centres across its facilities nationwide to enhance technical capabilities of its service technicians. In collaboration with engineering institutes and Polytechnics/ITIs across India, Blue Star has also set up eight Centres of Excellence and five Skill Development Centres to train technicians, engineers, faculty, and students ensuring they are industry-ready. The curriculum covers critical topics such as preventive maintenance, troubleshooting, and breakdown management.

A notable initiative, 'Training on Wheels', delivers hands-on training directly to technicians across the country. These mobile training units are equipped with simulators, test jigs, and other tools to facilitate practical and on-the-ground training.

In addition, Blue Star's Operations and Maintenance (O&M) services provide end-to-end support for electromechanical utilities, ensuring operational efficiency and reliability. These services are well-regarded by customers and form an integral part of the Company's comprehensive service offering. The Unitary Products Service Division has also developed five Skill Development Centres at various locations to train technicians, in collaboration with ITIs and Polytechnics.

Customer Experience Centre

In response to rapidly evolving customer expectations and a growing emphasis on service excellence, Blue Star has established a dedicated Customer Experience Strategy Organisation to uphold its credo: "I am Blue Star. I take pride in delivering a world-class customer experience." This initiative focuses on enhancing every customer touchpoint to ensure alignment with evolving needs and expectations.

Key areas of improvement include the training and certification of field technicians, capability enhancement for engineers and the Service Specialist Group (SSG), and strengthening of field quality assurance. The Company continues to expand its nationwide network of channel partners and has streamlined the planning, distribution, and last-mile delivery of spare parts through the use of advanced tracking technologies. These efforts collectively aim to deliver a seamless and elevated customer experience.

Supplier Focus

Supply Chain Management

Blue Star's supply chain management system is anchored in excellence, innovation, and strategic foresight, supported by a culture of curiosity that transforms insights into informed and agile business practices. The function has evolved from a traditional support role into a strategic business enabler, contributing directly to the Company's resilience, competitiveness, and sustainable growth.

In line with its transformation into a strategic function, Blue Star has implemented comprehensive resilience measures across key supply categories such as compressors, electronics, raw materials, and chemicals. These measures include supplier diversification, long-term procurement agreements, validation of alternative materials, and strategic inventory planning. A structured, three-tier governance framework ensures robust monitoring and execution, creating enduring competitive advantages that are difficult to replicate.

Procurement has shifted from transactional fulfilment to strategic collaboration, with a strong focus on forward-looking initiatives that align with the Company's long-term goals.

Driving Excellence Across Key Dimensions

Cost leadership has been achieved through strategic sourcing, optimal market timing, and targeted cost improvement initiatives, resulting in significant savings and improved profitability across product lines.

Quality ownership remains central to Blue Star's supply chain strategy. Rigorous supplier capability assessments, structured manufacturing excellence programmes, and reliability testing ensure production readiness and consistent quality standards.

Delivery assurance has been maintained despite global logistics disruptions. Enhanced warehouse capacity, robust management systems, and a flexible logistics network have helped sustain high production uptime and on-time delivery performance.

Risk management is underpinned by a robust framework that classifies suppliers and components by risk level. Measures such as dual sourcing, contingency planning, and geopolitical crisis response protocols have further strengthened the Company's ability to navigate uncertainty and maintain business continuity.

Digitalisation is being advanced through a well-defined digital roadmap, evolving from basic automation to the integration of AI-driven tools. The implementation of spend analytics, real-time visibility tools, and process automation has strengthened collaboration and operational agility. Predictive analytics and autonomous decision-making systems are key focus areas in the next phase of this transformation.

Looking ahead, Blue Star's supply chain is well-equipped to support the Company's growth trajectory through stronger supplier partnerships, enhanced quality systems, and continued digital transformation. As the function continues to evolve from a cost centre to a strategic value creator, the Company remains committed to embedding supply chain excellence at the core of its operations.

Through strategic measures focused on supplier diversification, risk management, cost efficiency, quality assurance, and advanced technology adoption, Blue Star has built a resilient and high-performing supply chain ecosystem — one that enhances operational performance and establishes a strong foundation for long-term competitive advantage and sustainable leadership in the industry.

Dealer Focus

Channel Management

Blue Star continued to strengthen its channel management through digital integration and data-driven strategies. The unified platform, Blue Star 360, now manages the entire partner lifecycle, improving transparency, compliance, and turnaround times. The use of Power BI dashboards has enhanced visibility across sales channels, enabling more precise and responsive distribution strategies. Predictive analytics and advanced digital marketing tools are now central to forecasting and identifying emerging demand, supporting both traditional and government-linked channels.

Improved inventory planning, driven by analytics, has helped optimise stock levels and enhance product availability. These initiatives have collectively built a more agile, efficient, and scalable channel network to support future growth.

The Company's digital transformation initiative for its Star League Dealers, 'Star Kart – A Dealer Website Initiative,' to strengthen their online presence, continued to be a primary focus area. Through this, the Company continues to launch digital brand shops in association with dealers, complemented by marketing campaigns, Search Engine Optimisation (SEO), Search Engine Marketing (SEM), Google My Business, Google ads and Social Media Marketing. They

also include features such as Live Chat, Virtual Store, Smart Invoice, Smart Compare Products, product videos integration with product pages, and many more. These virtual stores which are on the dealers' websites are linked to the dealers' ecommerce sites.

Ecommerce

As digital commerce continues to evolve, Blue Star has strategically expanded its online footprint by partnering with leading online distributors and becoming a preferred seller on major platforms such as Flipkart and Amazon. The Company has also introduced innovative direct seller and dropship models, further enhancing its market reach and accessibility. These efforts have driven a remarkable 33% growth in overall online sales during the year under review, reflecting Blue Star's commitment to catering to the growing demands of online customers.

The Company made targeted investments in ecommerce marketing, leveraging machine learning and AI tools to optimise performance. Through sponsored listings and brand advertisements across various platforms, Blue Star achieved heightened brand visibility, resulting in improved click-through rates and conversions at optimised cost levels.

In line with its digital transformation, Blue Star revamped its own ecommerce enabled website during the year. The upgraded platform offers richer content, a seamless user experience, multiple and secure payment options, and direct fulfillment from the Company's warehouses, ensuring a more convenient buying journey for customers.

Additionally, Blue Star continues to prioritise analytics and customer database management, driving several targeted campaigns to cross-sell and up-sell its diverse product range. These efforts also provide valuable customer insights that will guide the Company's future product development, sales strategies, and marketing initiatives.

Shareholder Engagement

Blue Star continues to create long-term value for its shareholders by delivering improved operating profitability and maintaining consistent dividend pay-outs. The Company places strong emphasis on transparent and proactive engagement with its shareholders – both individual and institutional, through a well-structured investor relations programme.

Regular quarterly earnings conference meetings are conducted to provide the investor community with insights into the Company's financial performance, key business



**A1+ rating awarded by
CARE and CRISIL**

developments, and its short-to-medium term outlook. In addition, the management team actively engages with domestic and international fund houses, research analysts, and institutional investors throughout the year to communicate Blue Star's strategic priorities and medium-term growth trajectory.

To ensure equitable and timely dissemination of information, the Company publishes investor updates and relevant business developments on its corporate website. This commitment to open and consistent communication reinforces Blue Star's dedication to good governance and shareholder value creation.

Bankers and Credit Rating Agencies

Over the years, Blue Star has built robust relationships with a group of banks who have supported its growth. The Company regularly interacts with bankers to update them about its financial performance and support required for growth. Blue Star has been prompt in servicing all its obligations and covenants around lines of credit and borrowings. Blue Star's Commercial Paper has been rated 'A1+' by CARE and CRISIL. The Company's long-term rating is AA+ (Outlook: Stable) and its short-term facilities have been rated A1+ by CARE.

Social Capital

Driven by its focus on inclusive growth, Blue Star strengthened its social impact agenda in FY25 through initiatives in skill development, education, and healthcare. Leveraging the Blue Star Foundation and strategic partnerships, the Company supported vocational training programmes, student scholarships, and access to quality healthcare — reinforcing its vision of building sustainable and empowered communities.



Skill
Development



Equitable
Education



Community
Well-being



Inclusive
Impact



Science camp at a Government school in Palghar, Maharashtra, supported by Blue Star



Blue Star's AC&R Skill Centre in Kandivali, Mumbai

Blue Star remains dedicated to nurturing social well-being alongside business excellence, ensuring shared value creation for all stakeholders. As part of its integrated approach to sustainable value creation, Blue Star is committed to fostering positive social outcomes in the communities where it operates. The Company regards social capital as essential for long-term resilience and inclusive growth. Focusing on areas such as skill development, education, and community health, Blue Star's social initiatives address local needs while aligning with wider development goals. These initiatives are executed through a structured Corporate Social Responsibility (CSR) framework, implemented in collaboration with credible partners to ensure transparency, scalability, and measurable impact. Long before CSR became mandatory, Blue Star established the Blue Star Foundation (BSF) — a charitable trust supporting underserved and vulnerable communities.

Established over a decade ago, Blue Star's CSR division is responsible for planning, implementing and monitoring CSR initiatives with due diligence and professional rigour. During the year, the Blue Star Group of Companies collectively spent ₹847.67 lakhs on CSR activities — ₹739.06 lakhs by Blue Star Limited, ₹13.30 lakhs by Blue Star Climatech Limited, and ₹95.31 lakhs by Blue Star Engineering and Electronics Limited — of which ₹1.75 crores was contributed to the Blue Star Foundation. Key CSR initiatives focused on Skill Development, Education, and Health, Hygiene & Wellness, particularly for communities located in and around the Company's manufacturing facilities. Additional projects were implemented in major markets, addressing specific local needs in collaboration with NGO partners.

Skill Development

Blue Star, in collaboration with various implementing agencies, continued to play a significant role in advancing vocational training and skill development across India in FY25. Through strategic partnerships and targeted programmes, the Company has significantly contributed



750 farmers supported through FPOs

to building sustainable livelihoods and empowering underserved communities. Blue Star's CSR initiatives are designed to address both traditional and emerging skill gaps, with a special focus on rural youth, women, and marginalised groups. These initiatives include vocational training for women in rural areas in areas such as handicrafts, tailoring, and artefact-making, as well as capacity-building and ongoing support for Farmer Producer Organisations (FPOs). In Himachal Pradesh, exclusive capacity-building programmes were conducted for young women in digital marketing to enhance employability in emerging sectors.

In Sri City, the Company extended support to Anganwadi Centres by refurbishing infrastructure and providing structured training for Anganwadi teachers, thereby strengthening early childhood care and education.

Core technical skills training in Air Conditioning & Refrigeration (AC&R), Mechanical, Electrical & Plumbing (MEP), BFSI, beauty and wellness, and other trades was scaled up through youth skill centres in Maharashtra, Tamil Nadu, Madhya Pradesh, and West Bengal, enabling unemployed rural youth to gain relevant skills and employment opportunities.

Through these efforts, more than 300 youth were supported under the National Apprenticeship Promotion Scheme (NAPS), receiving hands-on training, academic credits, and soft skills development. In total, over 1000 youth benefited from vocational training in trades such as AC&R courses bar bending, carpentry, cooking, baking, and equipment operation. Furthermore, around 750 farmers were supported through strengthened FPOs, improving market access and technological capabilities. More than 500 women received training in income-generating skills, enhancing their potential for alternate livelihoods. As part of a focused digital empowerment initiative, 100 young women in Himachal Pradesh were trained in digital marketing, opening new avenues for sustainable income. The Company also contributed to the capacity building of five Anganwadi Centres in Sri City, reinforcing its commitment to holistic community development.



Over 500 women trained in income-generating skills



Felicitation Day for the Mohan T Advani Centennial Scholarship Programme in Chennai

Education

Blue Star Foundation's flagship Mohan T Advani Centennial Scholarship programme continues to nurture talent by supporting students across engineering, architecture, and diploma courses nationwide. In FY25, nearly 350 students benefited from these scholarships at select partner institutions. Beyond monetary support, the Foundation enhanced student development through interactive site visits, expert guest lectures, and personalised mentorship, fostering both academic growth and professional readiness.

Expanding its focus on digital inclusion, Blue Star collaborated with Pratham Infotech Foundation to deliver digital learning programmes in 10 schools in Kala Amb, Himachal Pradesh, benefiting over 2100 children. This initiative is designed to build self-directed learning skills and bridge the digital gap in remote areas. In alignment with its commitment to equitable education, the Foundation supported continued schooling of 65 tribal girls, providing comprehensive assistance including daily tutoring, mentoring, and healthcare to promote their well-being and academic success.

 **3250 students engaged in STEM education**

Blue Star also partnered with Chaitanya Trust to support STEM education in the Palghar district in Maharashtra, through innovative mobile science labs, which engaged over 1500 government school students, complemented by science camps that benefited another 750 students. Near the Sri City facility, a pioneering 'lab-on-bike' programme brought hands-on science education to seven government schools, impacting nearly 1000 children.

With an aim to improve educational infrastructure, Blue Star supported the construction of classrooms in remote regions of Himachal Pradesh and enhanced resources and facilities at a Government girls' residential school, helping create a more conducive and supportive learning environment.

Health, Hygiene and Wellness

In addition to its core CSR activities, the Company has supported a range of medical diagnostic programmes that have benefited over 3000 individuals from underprivileged communities. These programmes provided free cancer diagnostic services in partnership with hospitals such as The Cancer Institute (WIA) in Chennai, Dr. M. L. Dhawale Trust's Rural Homeopathic Hospital in Palghar, and Manav Seva Public Charitable Foundation in Akola. Health camps were also organised in Jaipur and Ahmedabad, offering general medical check-ups along with cervical cancer screenings for women.

Further reinforcing its commitment to comprehensive healthcare, Blue Star extended medical assistance to children affected by thalassemia and cancer. To broaden its community health outreach, Blue Star conducted 12000 eye screening camps for children in government schools across Palghar.

Additionally, 100 eye screenings and necessary cataract surgeries were performed for underserved populations in Dadra.

During FY25, the Blue Star Foundation continued to collaborate with various social impact partners, including Akshar Foundation, Educo, Fine Arts Foundation, ARMMAN, VriddhCare, Aishwarya Trust, IABAD, and United Orphanage for the Disabled. These partnerships advanced initiatives across critical areas such as education, healthcare, elderly care, and support for persons with disabilities.

Blue Star's commitment to social capital reflects its broader vision of sustainable growth rooted in community empowerment and inclusive development. By strategically aligning its CSR initiatives with the needs of the communities and leveraging strong partnerships, the Company continues to drive meaningful and lasting social impact.



Skill development for women through product training in Tamil Nadu

Natural Capital

Blue Star's manufacturing facilities are driving comprehensive environmental sustainability through innovative energy conservation, emission reduction, and operational efficiency initiatives. These efforts are integral to the Company's broader Net Zero ambition and reflect its commitment to sustainable practices.



Energy efficiency
and conservation



Water and resource
management



Emission reduction
and environmental
compliance



Smart automation
and process
optimisation



Wada Plants

Advancing environmental sustainability and Net Zero objectives during the year:

- Retrofit Emission Control Devices installed on diesel generator sets to curb harmful emissions, thereby strengthening environmental compliance
- 3.1 MW rooftop solar plant achieved its highest-ever annual generation, contributing significantly to clean energy usage and resulting in a reduction of 2317 tonnes of CO₂ emissions
- Several targeted initiatives implemented under the Company's broader Net Zero Programme, resulting in a cumulative carbon footprint reduction of 2901 tonnes, marking a significant milestone in the Company's journey towards long-term sustainability and environmental stewardship

Sri City Plant

Energy-saving and smart automation initiatives:

- Installed Variable Frequency Drive (VFD) panels in the powder coating section, reducing energy consumption by adjusting motor speeds based on demand
- Optimised energy use in oven coating with VFD technology, improving efficiency and lowering power costs
- Introduced motion sensors in washrooms to automatically control lighting, reducing unnecessary energy usage when areas are unoccupied
- Automated air control on the ODU line, ensuring precise airflow management and minimising energy waste during operation
- Integrated interlocking systems for scrap conveyors in the press shop, improving efficiency and reducing unnecessary power consumption
- Implemented ControlAiR IFC system for intelligent management of HVAC systems, resulting in substantial energy savings
- Installed timer-based HVLS fans to regulate airflow in large spaces, cutting down on energy costs and improving air circulation

- Deployed Automatic Power Factor Correction (APFC) systems to maintain a unity power factor, minimising energy losses and optimising power quality
- Introduced natural ventilation in canteens to reduce the need for mechanical cooling, significantly lowering energy usage
- Enhanced energy transfer efficiency in the LPG line by incorporating magnetic resonators, improving the overall power consumption of the process
- Automated the IDU conveyor lines to optimise energy usage and streamline operations, reducing waste and enhancing productivity

Dadra Plant

Initiatives driving energy efficiency and sustainability:

- Secured the prestigious Gold certification from the Indian Green Building Council (IGBC), underscoring the commitment to sustainable practices
- Replaced the Water Rinse-2 Pump at the Powder Coating facility with an energy-efficient pump conforming to IE3 standards, leading to annual energy savings of 22,600 kWh, cost savings of ₹1.5 lakhs, and CO₂ emission reduction of 19.21 tonnes
- Static Voltage Generator (SVG) installed to maintain a unity power factor resulting in annual energy savings of 46250 kWh, ₹2.9 lakhs in cost savings, and a CO₂ reduction of 39.31 tonnes
- Rooftop solar power system generated 128913 kWh of clean energy, leading to an annual CO₂ emissions reduction of 109 tonnes
- Replaced outdated air conditioning systems with energy-efficient Variable Refrigerant Flow (VRF) systems and inverter-based ACs, enhancing the plant's overall energy performance

Himachal Pradesh Plants

Innovative upgrades enhancing energy efficiency and environmental performance:

- Installed Variable Frequency Drives (VFDs) on STPs, blowers, and conveyor lines, saving 48618 kWh and reducing CO₂ emissions by 35 MT
- Upgraded equipment, included replacing IE2 motors with IE3 models and installing HVLS fans, resulting in 42050 kWh savings and a 30 MT CO₂ reduction
- Installed vacuum grippers on ODU lines, saving 13920 kWh and cutting 10 MT of CO₂ emissions
- Optimised lighting with lux sensors, motion-sensor IR lighting, and outdoor LEDs, delivering 9569 kWh in savings and 7 MT CO₂ reduction
- Enhanced leak testing machines for Heat Exchangers with IE3 motors, leading to 2710 kWh in savings and 2 MT CO₂ reduction

Ahmedabad Plant

Sustainability-led enhancements driving energy savings and eco-efficient operations:

- Replaced the shopfloor's aged asbestos roofing with an insulated PPGI-based roof incorporating 9% skylight panels and upgraded turbo ventilators. This enhanced indoor illumination to 400 lux through natural daylight and reduced dependency on artificial lighting. Over five months, this resulted in energy savings of 11015 kWh and a CO₂ emission reduction of 8 tonnes
- Reverse Osmosis (RO) rejection water now reused for washroom flushing, contributing to responsible water management
- Replaced worn-out tools in key fabrication machinery, leading to a reduction in required hydraulic pressure from 120 bar to 80 bar, thereby lowering energy consumption
- Upgraded electrical systems of wall-mounted and pedestal fans to allow individual On/Off control, replacing the earlier centralised system. This modification optimised electricity usage by preventing unnecessary fan operation
- Installed a new disc filter at the borewell water outlet, resulting in reduced suspended particles in incoming water. This improvement decreased the operational

load on the RO system and reduced maintenance requirements for the overall water infrastructure\

Offices

- At one of the regional offices located in Saki Naka, Andheri, Mumbai, a 40 kWp Roof Top Solar system generated 45,400 kWh of clean energy during FY 2024–25, meeting 16% of the total power consumption and CO₂ emission reduction of 33 tonnes. Additionally, in December 2024, the office was awarded the Net Zero Energy Certification by the Indian Green Building Council
- The 50 kWp Roof Top Solar system at Thane office contributed to an energy offset of 50,395 kWh, which accounts for 2% of total power consumption, a new 25 kWp Roof Top Solar system is being commissioned to further enhance renewable energy generation
- The Chennai office sources all its power through a solar Power Purchase Agreement (PPA) with a third party, initiated in 2022. During FY 2024–25, this arrangement resulted in an energy offset of 3,43,168 kWh for Blue Star resulting in CO₂ emission reduction of 8 tonnes

THE BLUE STAR WAY

- Be a company that is a pleasure to do business with.
- Win our people's hearts and minds.
- Continuously improve shareholder value.
- Give primacy to meritocracy and professional management.
- Place the Company's interest above one's own.
- Conduct business with personal integrity and ethics.
- Treat business partners as respected members of our organisation.
- Encourage learning, experimentation and innovation in what we do.
- Ensure high standards of corporate governance.
- Work in a boundary-less manner between various functions to provide the best solutions to customers.
- Be a good corporate citizen.



BLUE STAR

Information

Technology

Harnessing the power of digital transformation, Blue Star integrates technology across every aspect of its business. The Company actively pursues opportunities for digital and process enhancements to streamline operations, boost efficiency, and unify its global footprint on a common digital platform.



Data-Driven
Intelligence



Secure and Scalable
Infrastructure



Digital
Innovation in
Operations



Customer-Centric
Technology Enablement





Analytics

Blue Star strengthened its data-driven culture to support strategic decisions related to channel expansion and market penetration. Integrated data systems now provide a unified view of customers and partners, enabling more personalised engagement. Advanced analytics, including AI and machine learning, are being leveraged in areas such as sales forecasting and service partner optimisation to enhance planning and decision-making.



Digitisation Through Platform-Based Approach

Blue Star leveraged Zoho Creator and Zoho CRM to digitise key business processes, resulting in enhanced efficiency, improved collaboration, and more responsive decision-making. Workflow automation has significantly reduced manual tasks, improving agility and supporting the Company's broader vision for sustainable digital growth.



Digital R&D

A digital thread is being developed across R&D functions to improve operational efficiency and strengthen product lifecycle management. Key focus areas include model-based systems engineering, AI-driven design, digital simulation, and integrated project management — initiatives designed to accelerate innovation and reduce time-to-market.



Information and Cyber Security

Blue Star enhanced its cyber security posture through strategic measures including network architecture upgrades, dark web monitoring, attack surface management, and improved third-party risk oversight. These initiatives underscore the commitment to safeguarding digital assets and ensuring compliance in a complex threat environment.



Infrastructure

Factory networks were upgraded and segmented to strengthen security and better manage operational technology (OT) systems such as PLCs and IoT sensors. These upgrades have improved traffic control, reduced cyber risks, and laid the foundation for a secure, high-performance industrial network.



Service

Blue Star implemented Salesforce Service Cloud across its Indian operations, enhancing customer support through multiple channels, including WhatsApp and mobile applications. The platform provides performance dashboards and integration capabilities that contribute to an improved customer experience and greater service efficiency.



Enterprise Resource Planning (ERP)

Blue Star successfully migrated to RISE with SAP, adopting a cloud-first ERP approach that streamlines operations and supports scalable growth. The platform's AI and analytics capabilities provide actionable insights, enhance efficiency, and ensure robust data security, accelerating the Company's digital transformation journey.



Digital Manufacturing

IoT capabilities continued to expand across Blue Star's manufacturing units. In FY25, predictive maintenance was piloted to reduce downtime, with full implementation planned for FY26. AI-based vision systems are also being introduced to improve quality control. A comprehensive digital roadmap is in progress, aimed at boosting operational efficiency through integrated digital initiatives.

Brand Equity

Blue Star boosted its brand visibility through targeted campaigns, strategic digital initiatives, and focused promotional efforts. With Virat Kohli as the brand ambassador for its room air conditioners and air coolers, the Company expanded its reach and strengthened engagement across diverse markets.

Strengthening the Blue Star brand continues to be a core strategic priority for the Company. In FY25, substantial investments were made in advertising and brand-building initiatives to enhance brand visibility and recall across diverse consumer segments and geographies.

During the year, Virat Kohli continued to be the Company's brand ambassador for its room AC and air coolers business. As India's most-followed celebrity on social media, he has proved to be a valuable brand asset. His widespread appeal, particularly in smaller towns and non-metro markets, has played a pivotal role in boosting brand awareness and engagement for Blue Star. Brand track studies conducted by the Company to evaluate brand equity and the effectiveness of its communications have highlighted Virat Kohli's significant contribution to the Company's market share growth, particularly in the northern regions and non-metro areas.

Strategically, the brand communication remained focused on reinforcing the core value proposition of 'Fast Cooling ACs'. During the summer of 2023, the Company launched a creative campaign on the theme of 'Garmi ki Chhutti', featuring 'Garmi' characters personifying heat, who are vanquished by Virat Kohli switching on a Blue Star Fast Cooling AC. This campaign resonated well with consumers and achieved record-high view-through rates across digital platforms. Building on this success, four new television commercials were released in March 2025, continuing the same theme. These campaigns have driven significant visibility, particularly in Tier 3, 4 and 5 markets, through simple yet impactful messaging.

Blue Star's commercials were also aired during the Indian Premier League (IPL), one of the country's most effective media properties for mass outreach. This ensured comprehensive market penetration and high viewer



engagement across both, metro and non-metro regions. With a renewed focus on Hindi-speaking markets, the Company strategically increased media spend on regional news channels popular within these demographics.

Digital marketing and e-commerce continued to be high-priority focus areas during the year. Blue Star enhanced its presence on digital platforms for its B2C product portfolio, capitalising on the rising consumer preference for online engagement. The Company adopted innovative media formats including Connected TV (CTV), and advertising through mobile apps rich in regional content — especially relevant for Tier 2, 3 and 4 markets where digital adoption is rapidly growing.

To drive online sales, Blue Star launched a series of attractive promotional campaigns across leading e-commerce platforms. The Company also strengthened its performance marketing efforts through targeted search and display advertising to increase both conversion rates and brand awareness, especially among research-oriented customers who browse online but purchase offline. To bolster its direct-to-consumer (D2C) growth, the Company revamped its e-commerce-enabled consumer website with additional features to cater to online buyers who prefer purchasing directly from the brand.

Beyond mass media and digital efforts, Blue Star also focused on enhancing brand salience among key influencer segments. It participated in several prominent exhibitions and industry events in the Hospitality, Architecture and Healthcare sectors, reinforcing its brand leadership and trust across professional communities. These cohesive and multi-channel brand-building efforts have played a vital role in enhancing Blue Star's brand equity, visibility, and consumer connection, especially in emerging and underserved markets.

TV Commercials

Garmi Heist



Garmi Champions



Garmi Blasters



Awards and Recognitions



Dadra Plant excels at National Convention of Quality Concepts



Blue Star was honoured with the prestigious WOW Workplace Award



Blue Star was honoured with the prestigious Adam Smith award for 'Best Emerging Technology Solution'



Dadra team won a Haul of Awards from 12th QCFL Summit in Ankleshwar



HP Team won Gold at QCFL Offshore Convention on Quality Concepts



Dadra Plant won multiple Gold Awards at the International Convention on Quality Control Circles



Himachal Pradesh Plant won Gold award at the Quality Circle Forum of India



Blue Star won Gold Award at the National Competitiveness Cluster Summit



Blue Star honoured with seven Brandon Hall HCM Excellence Awards at the HCM Excellence Conference



Sri City Plant won multiple accolades at the Quality Circle Forum



Indirect Tax team honoured at the 8th Edition of Tax Strategy and Planning Summit & Awards



Wada and Dadra Plants won at the 12th Manufacturing Today Annual Conference and Awards



Wada Plant won Excellence Award for rooftop solar at the CII Performance Excellence Award



Blue Star won at the Future of Learning Summit and Awards



Direct Tax team honoured with the prestigious Best Innovation in Tax Technology Award at the Nxtgen Tax Innovation Confex and Awards



Blue Star honoured with the Best Use of Technology in CX award at the 8th Service Quality Excellence India Summit and Awards



Corporate Finance Services team honoured at the Great Indian CFO Leader Summit and Awards



Ecommerce Marketing team awarded the Gold award in the Best Performance Marketing Campaign category at the Indian Digital Marketing Awards



Blue Star won NSCI Safety Award for a project in Pune



Blue Star's 'Garmi ki Chhutti' summer campaign 2024 won Gold at The Indian Marketing Awards for Best Use of Technology



Blue Star awarded the Best Warehousing Company of the Year at the prestigious 3rd Annual Warehouse and Supply Chain Leadership Awards



Blue Star won Special Recognition for Design Innovation at the Autodesk Imagine Awards



Blue Star won two awards at the All India Supply Chain Rankings

Risks

and Mitigation Strategies

Blue Star operates across diverse business segments and geographies, each presenting its own set of challenges and exposures. These include economic volatility, regulatory shifts, supply chain dependencies, technological disruptions, and climate-related concerns. To safeguard its operations and support long-term growth, the Company has established robust risk management frameworks, proactively identifying risks and implementing effective mitigation strategies across its operations.





Competition Risk

An increasing number of Indian and international players are establishing or expanding manufacturing operations in India to capitalise on the underpenetrated air conditioning market. Such players may adopt aggressive pricing strategies to gain market share, thereby exposing Blue Star to potential revenue loss and margin erosion. Additionally, shifts in consumer purchasing behaviour, driven by the continued rise of ecommerce platforms, pose additional challenges.

Mitigation Strategies

Blue Star maintains a diversified product portfolio across various categories and price points. The Company has expanded strategic alliances with key ecommerce partners and intensified efforts to penetrate deeper into Tier 3, 4, and 5 cities. It also pursues continuous cost rationalisation across the value chain through the Total Cost Management (TCM) framework, ensuring competitiveness without compromising product quality or performance. Moreover, the Company remains focused on technological innovation aligned with consumer preferences to build sustainable competitive advantages.



Seasonality Risk

Unexpected weather conditions such as prolonged winters, shorter summers, below-average monsoons, or excessive rainfall, as well as any disruptions during peak sales periods, may impede the Company's ability to accurately forecast demand and manage inventory, potentially leading to stock shortages or surpluses, and ultimately affecting revenue growth.

Mitigation Strategies

Blue Star has instituted a structured and ongoing mechanism for dynamically reviewing and adjusting its procurement plans in response to changing market conditions. The Company continues to implement process improvement initiatives aimed at reducing lead times. Additionally, it follows a strategic approach to portfolio diversification by introducing complementary product lines, focusing on institutional sales and expanding its presence, thereby mitigating over-dependence on seasonal products.



Currency Risk

The Company is exposed to foreign exchange risk due to its international operations and sourcing of raw materials from multiple geographies.

Mitigation Strategies

Blue Star has adopted a comprehensive Foreign Exchange Risk Management Policy with appropriate processes for regular monitoring and hedging of currency exposures.



Profitability Risk

The Company's profitability may be adversely affected by fluctuations in commodity prices, rising input and freight costs, or credit defaults by customers.

Mitigation Strategies

Blue Star has established policies and commercial frameworks to address volatility in commodity and input prices. A comprehensive due diligence mechanism is in place to manage credit risks. The Company continues to review and optimise operating costs and has re-engineered its commercial and contract management practices to strengthen cost resilience. A robust Commodity Risk Management Policy facilitates ongoing monitoring and hedging of commodity exposures.



Sourcing Risk

Key components such as compressors, copper tubes, electronic parts, and inverter drives are sourced from vendors in China and other select countries. Any supply chain disruption arising from geo-political events, imposition of tariff or non-tariff barriers, or global disruptions may significantly impact Blue Star's ability to import, manufacture, and deliver products. The Company also depends on suppliers located within and outside India for critical components, and any operational disruptions at these supplier facilities could impact product availability.

Mitigation Strategies

The Company employs a robust mechanism to identify single-country or single-vendor dependencies for critical components. Steps are continually taken to diversify sourcing through alternate and indigenous suppliers. Blue Star also explores backward integration opportunities and evaluates contractual arrangements with manufacturing partners to ensure business continuity during supply chain disruptions.



Environmental Risk

With increasing global focus on climate change, failure to comply with stringent environmental norms or delays in adopting sustainable practices may affect the Company's licence to operate and long-term viability.

Mitigation Strategies

Blue Star is committed to environmental stewardship and sustainability. It designs and promotes energy-efficient products with low global warming potential. The Company actively pursues energy conservation, reduces carbon emissions, and explores renewable energy technologies to lower its environmental footprint.



Cybersecurity Risk

Blue Star's operations are heavily reliant on IT systems. A cyber-attack or IT failure could result in significant operational disruption.

Mitigation Strategies

The Company maintains a comprehensive Information Security Policy, supported by updated standards and governed through a defined Cybersecurity Governance structure. Cybersecurity awareness is promoted via initiatives such as email campaigns, phishing simulations, and security-themed desktop screensavers for employees and partners.

Regular risk assessments are conducted to proactively identify and mitigate vulnerabilities, while a Defense-in-Depth strategy ensures multiple layers of protection against evolving threats. A cyber insurance policy covers incidents like data breaches or virus outbreaks, ensuring a secure operational environment.



Business Continuity Risk

Operations may be significantly disrupted due to market, supply chain, or operational interruptions caused by global events or natural and man-made disasters. Such incidents could result in partial or full shutdowns, affecting operations in India or international markets where Blue Star or its affiliates operate.

Mitigation Strategies

The Company has implemented a Business Continuity Management Systems Policy and established Standard Operating Procedures (SOPs) with defined recovery and restoration targets. These measures are designed to ensure continuity of manufacturing and other critical functions, especially those serving essential services. Remote monitoring and operational capabilities have been institutionalised across functions to manage unexpected disruptions.



Health and Safety Risk

The health and safety of employees, contractors, channel partners, and associates remain paramount, especially given the operational hazards across project sites and manufacturing units.

Mitigation Strategies

Blue Star adheres to a strong Environment, Health and Safety (EHS) framework underpinned by its Corporate Safety Policy. Regular EHS training, audits, and mock drills are conducted across locations. All manufacturing facilities, as well facility management and revamp sites, are ISO 45001 certified.



Macro Environment Risk

Blue Star's businesses in the Electro-Mechanical Projects and Commercial Air Conditioning Systems segments are cyclical in nature and inherently exposed to the volatility of the macroeconomic environment. Capital expenditure commitments by private and public sector customers remain key determinants of order inflow. A sustained economic slowdown, when compounded by global geo-political uncertainties, could adversely impact order volumes and profitability. Additionally, international operations are subject to geo-political risks such as changes in tax regimes and regulatory frameworks



Regulatory and Compliance Risk

Regulatory non-compliance can impede business operations. Blue Star's products must comply with evolving environmental, safety, and technological regulations, including those related to refrigerants, e-waste, energy efficiency, and numerous statutory norms under various Indian and international laws.

Mitigation Strategies

The Company has built an agile and automated compliance management system that promotes a culture of adherence to regulatory requirements. Initiatives include automated legal metrology labelling, competition law-compliant dealer agreements, and structured updates in response to changes in BEE and ECBC norms. Compliance is ensured not only within Blue Star's operations but also across its joint ventures and overseas subsidiaries.

Mitigation Strategies

The Company closely monitors macroeconomic indicators and remains agile in identifying growth opportunities within untapped markets. It continues focusing on developing scalable, profitable new products in the Commercial Air Conditioning Systems business. Blue Star conducts thorough strategic risk assessments before entering new markets or business domains. The Company has reinforced efforts to expand its global presence by developing products that meet regulatory and technical standards of new geographies. Furthermore, Blue Star invests consistently in internal capability building and enhancing statutory compliance awareness across all current and potential markets.

Strategic Planning and Development

Operating in a rapidly evolving business environment, Blue Star recognises the need to remain agile to stay ahead. Shifting market dynamics, changing customer expectations, and heightened competition underscore the importance of continuous strategic alignment. In response, the Company has sharpened its focus on long-term priorities, backed by a structured approach to planning, execution, and review.



Blue Star's response to the evolving market landscape has been anchored in strategic clarity and purposeful action. The Company introduced its three-year strategic plan, Blue Star@81, which guided its growth and transformation through FY25. Building on this foundation, and as the Company completed its 81st year, Blue Star has now launched Blue Star@84, extending its vision through FY28. This new plan, rooted in the Company's core values, establishes clear, measurable goals across the organisation.

The strategic focus remains on strengthening core capabilities, addressing competition effectively, acquiring future-ready skills, enhancing processes, and integrating advanced technologies. The plan also details targeted investments to support the Company's growth objectives.

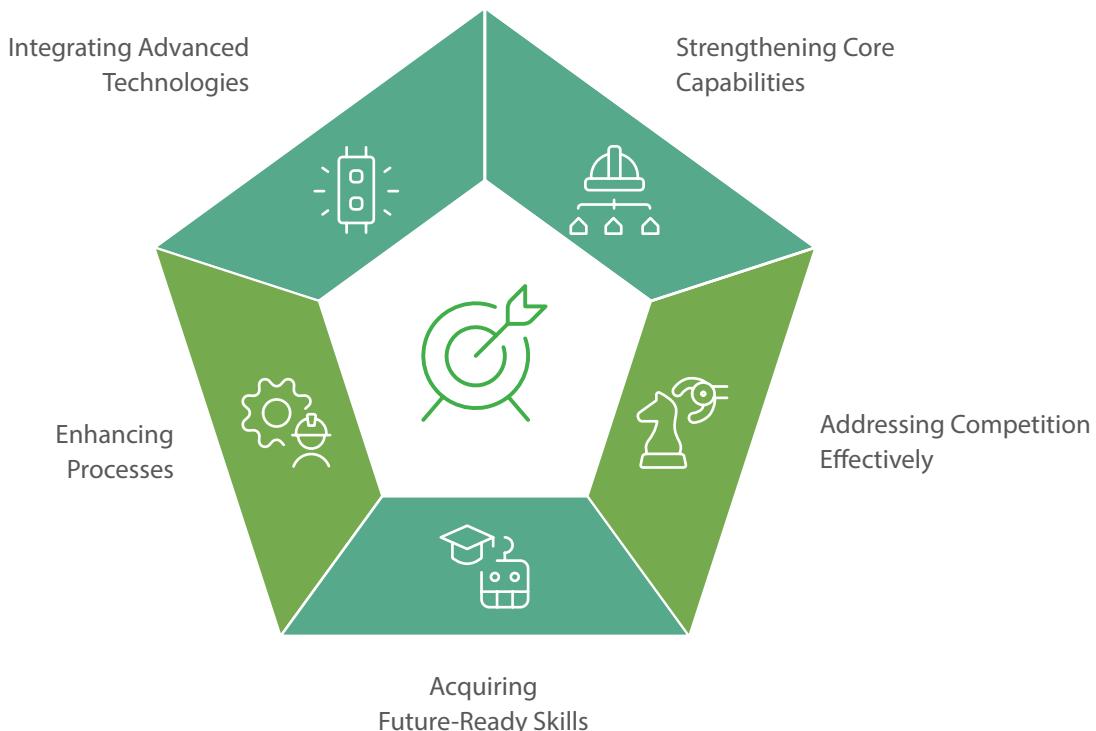
To ensure effective implementation, a Strategic Implementation Framework (SIF) has been established across all businesses and functions. This framework, based on the 'Balanced Scorecard' principles, maintains a strong focus on financial performance, operational processes, systems, people, and innovation. The strategic plan is communicated across the organisation through town hall meetings, cascade sessions, informal discussions, and various internal forums to ensure alignment at all levels.

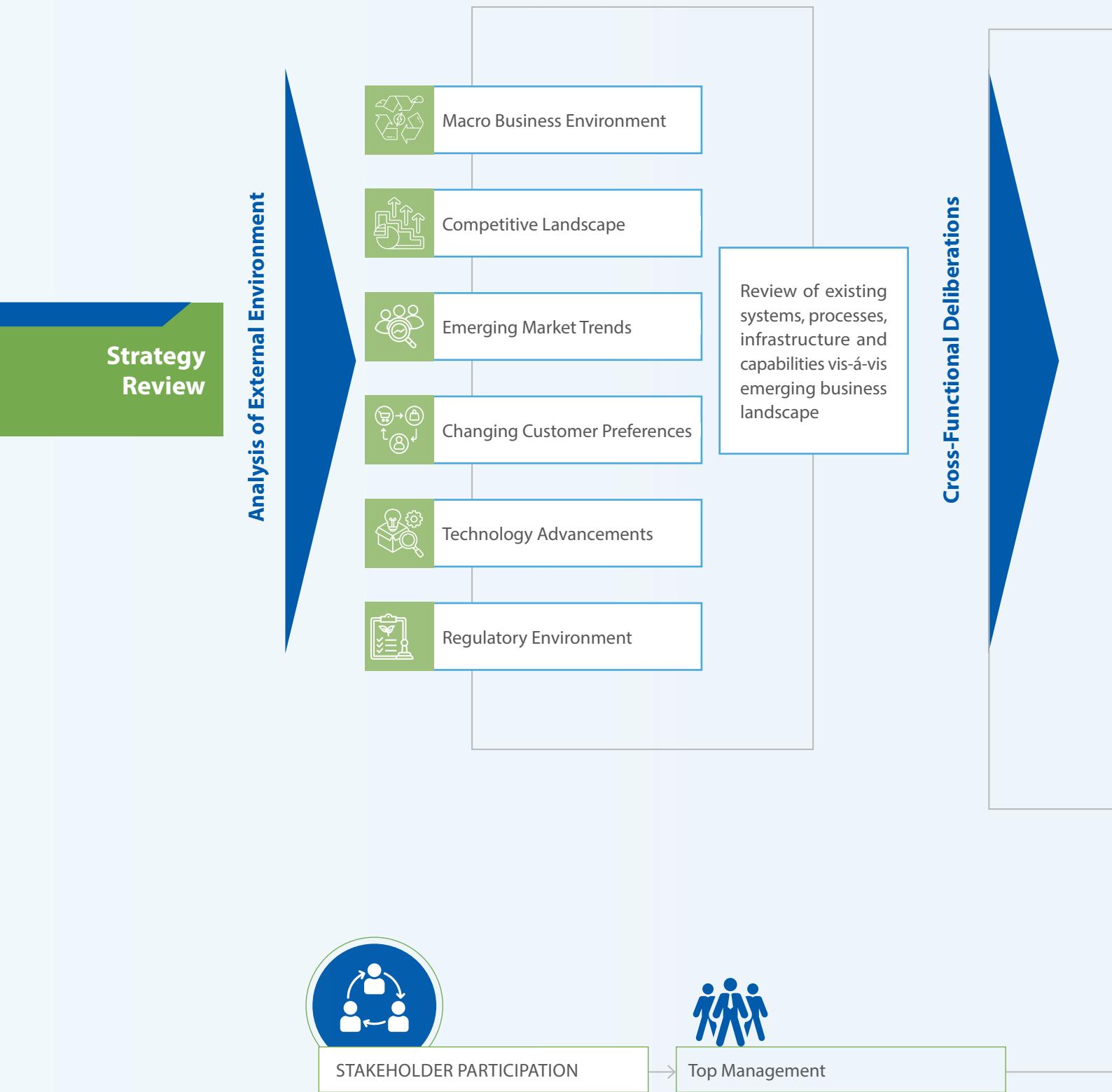
Regular and structured reviews of progress against key milestones are integral to the framework. These reviews allow the Company to reassess its assumptions around the business environment, evaluate its position in the market, and refine its strategies as needed. Several internal initiatives are already underway in line with this strategic plan to drive sustained growth and resilience.

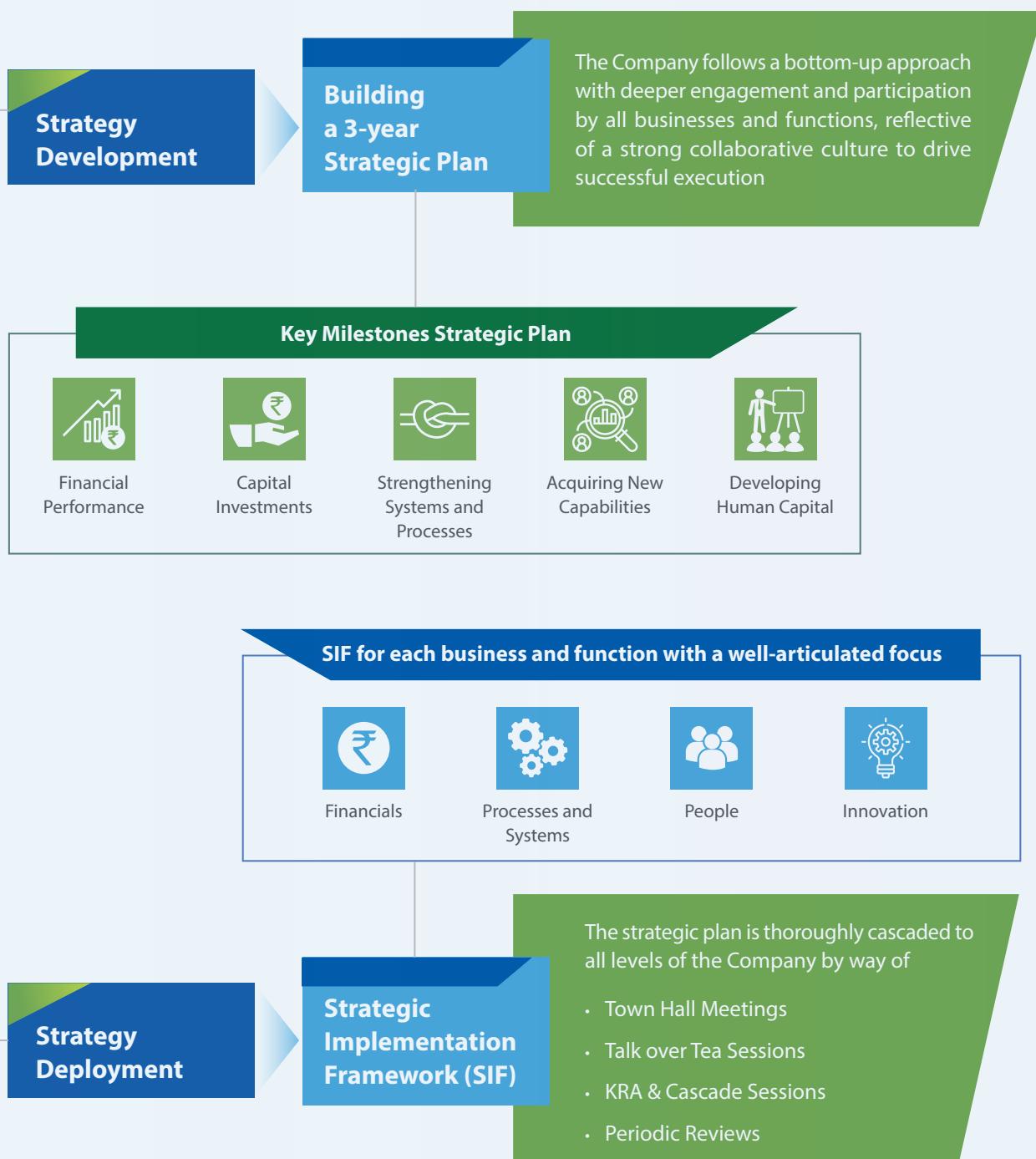


Blue Star@84: 3-year growth and transformation strategy

Strategic Focus Points







Corporate Planning



Business & Function Heads along with their Senior Management Team

Ample Opportunities

Blue Star's integrated business model uniquely positions it within the market. Its proven agility in innovation, combined with its ability to deliver products and solutions aligned with evolving industry trends, continues to unlock significant growth opportunities.



Key Trends and Developments Driving New Business Opportunities and Expansion



Rapid urbanisation, rising disposable incomes, and increasing climate variability are driving the adoption of residential air conditioning in Tier 2 and 3 cities — opening vast, untapped markets.



India's emergence as a global HVAC manufacturing hub — supported by import restrictions on China, Government initiatives to build resilient domestic supply chains, and strategic OEM partnerships — is enabling robust export growth and positioning the country as a key player in the global air conditioning market.



The government's increasing commitment to carbon neutrality and decarbonisation, in pursuit of Net Zero targets, is driving demand for energy-efficient and high-performance solutions. The Company is well-positioned to benefit from the growing adoption of green buildings and sustainable cooling technologies.



The Company's continued emphasis on profitability and free cash flow generation, combined with strategic investments in digitalisation and automation, presents significant opportunities to improve productivity, ensure superior project execution, and drive long-term value creation.



Evolving customer preferences for smart, connected, and inverter-based cooling products are creating opportunities for value-added offerings and margin expansion.



Demand for commercial refrigeration products is expected to grow, driven by the expanding healthcare and hospitality industries — particularly the food and beverage (F&B) sector. The F&B sector is experiencing significant growth across both urban and rural areas, contributing to a rapid rise in demand across India.



Increased investments in data centre infrastructure and manufacturing under the 'Make in India' initiative is accelerating demand for advanced and energy-efficient HVAC systems across industrial and commercial spaces.

ESG

Practices

Environmental, Social, and Governance (ESG) principles are deeply embedded in Blue Star's business operations. In FY25, the Company strengthened its commitment to sustainability and environmental stewardship through key initiatives such as promoting the circular economy, improving waste and water management, and actively supporting the green building movement, and much more — demonstrating a holistic approach to sustainable growth.



Blue Star House, Saki Naka, Mumbai, Platinum-certified by the Indian Green Building Council (IGBC)

The following are key highlights from the Company's internal ESG assessment conducted during the year across its businesses and functions:

Environmental

As a leader in energy efficiency, sustainability, and environmental stewardship, Blue Star ensures that its R&D and product development teams maintain a sharp focus on designing customer-centric, sustainable, and eco-friendly products.

Environmentally-conscious Operating Practices

Blue Star's environmentally responsible practices encompass a wide range of initiatives aimed at reducing its ecological footprint. These include the adoption of eco-friendly refrigerants across product lines, regular tree-planting drives around its manufacturing facilities, and proactive measures implemented at all plants to minimise the consumption of water and electricity. Further details on these initiatives can be found in the Integrated Report – Natural Capital section on page no. 66, and in the Business Responsibility and Sustainability Report (BRSR) on page no. 161.

Initiatives Undertaken by the Company:

- Upgrades across plants, offices, R&D centres, training facilities, and warehouses, including green power (onsite/offsite), HVAC enhancements, VFDs, IE4/5 motors, BLDC/HVLS fans, natural lighting, and gas/electric vehicles for material handling.
- Consumption of renewable energy sourced from an on-site 4.69 MWp solar power system, contributing approximately 15% of the Company's total energy requirement.
- Implementation of rainwater harvesting systems and Zero Liquid Discharge (ZLD) processes, including Effluent Treatment Plants (ETPs) and Advanced Sewage Treatment Plants (STPs), across all manufacturing facilities.
- Development and promotion of environmentally friendly products featuring inverter compressors, BLDC motors, green refrigerants with zero Ozone Depleting Substances (ODS) and low Global Warming Potential (GWP), BEE Star-labelled products, cyclopentane foam insulation, and reusable packaging.
- Adherence to Government regulations on e-waste disposal, coupled with repair and reuse initiatives for Printed Circuit Boards (PCBs), Air Conditioning and Refrigeration (AC&R) system revamps, and refurbishment of medical diagnostic equipment.

- Establishment of a green finished goods warehouse at Bhiwandi, Maharashtra, incorporating solar power generation, rainwater harvesting, optimised sky lighting, electric vehicles for material handling and local deliveries, and extensive green cover.
- Achieved GreenCo and Net Zero Energy certifications for multiple Company establishments, reflecting a commitment to sustainable construction and operational practices.

Circular Economy

Blue Star is recognised as one of the leaders in e-waste compliance within the room air conditioners industry. The Company actively adopts circular economy principles, integrating waste reduction and recycling into its Total Cost Management programme.

Its AC&R revamp business, along with the reconditioned MRI scanners business, exemplify these principles by extending product life cycles and minimising waste. Additionally, the Medical Diagnostic Equipment Refurbishment Facility in Bhiwandi, Maharashtra, supports the circular economy by providing environmentally friendly solutions while addressing India's growing demand for advanced medical imaging.

Hazardous Waste Management

Blue Star's manufacturing plants rigorously monitor the use of materials and continuously strive to minimise hazardous substances through the adoption of advanced processes and technologies. The Company ensures that its products comply fully with national environmental regulations, containing no lead, mercury, cadmium, or other hazardous substances beyond legally permitted legal limits.

Water Management

All of Blue Star's manufacturing plants are equipped with rainwater harvesting systems that meet daily operational water needs during the monsoon season, while also contributing to the replenishment of the local water table. Each facility is designed as a Zero Liquid Discharge (ZLD) site, supported by advanced Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs).

In addition, the Company's manufacturing units deploy advanced testing and process equipment that not only enhances product quality but also promotes energy and water efficiency. Treated water is reused for non-potable applications such as flushing and landscaping, reinforcing Blue Star's commitment to responsible water use and circular resource management.

Green Building Movement

Blue Star, a founding member of the Indian Green Building Council (IGBC), remains a committed advocate for the green building movement in India. The Company's manufacturing facilities and offices are designed with sustainability at their core, integrating green principles across architecture, operations, and processes. Over the years, Blue Star has earned IGBC certifications for several key establishments — with the office in Thane and Wada Plant in Maharashtra receiving Platinum ratings, and in Andhra Pradesh, the Sri City Plant of Blue Star Climatech Limited achieving Gold certification.

In FY25, Blue Star expanded its green footprint with two notable achievements: the Dadra Plant received the IGBC Gold Certification, and the Regional Head Office in Saki Naka, Mumbai, was awarded the prestigious Net Zero Energy Platinum Certification. Additionally, Green Building Certifications are in progress for four additional sites, alongside a GreenCo certification process for the Wada Plant, reinforcing Blue Star's steadfast commitment to sustainable infrastructure and responsible growth.

Social

Freedom of Association

Approximately 190 permanent employees in the workers' category are unionised. Blue Star fully respects their right to freedom of association and collective bargaining, ensuring that employees can exercise these rights without fear of reprisal, intimidation, or harassment.

The Company is committed to fostering open, respectful, and constructive dialogue with unionised workmen or their authorised representatives, and engages in good-faith negotiations on terms and conditions of employment.

Diversity

Blue Star remains steadfast in its commitment to fostering a diverse and inclusive workplace. In FY25, the gender ratio among management staff stood at 10.4% female representation, reflecting ongoing efforts to improve representation.

The Company actively implements its Diversity, Equity, and Inclusion (DE&I) Policy, driving structured gender diversity initiatives across multiple organisational levels.



Anganwadi centre established by Blue Star in Sri City

Health & Safety Management

At Blue Star, safety remains a top priority. The Company is committed to maintaining a safe and healthy work environment across all its operations, with robust systems and protocols in place to safeguard employees, contractors, and stakeholders.

Comprehensive details on the health and safety measures implemented by the Company can be found in the Business Responsibility and Sustainability Report on page 161.

Supplier Excellence

The Company has instituted a comprehensive Supplier Excellence Programme aimed at strengthening its supply chain through strategic collaboration. Under this initiative, the Company extends managerial and technical support to its suppliers to drive improvements in productivity, quality, cost efficiency, delivery performance, and workplace safety.

Initiatives Undertaken by the Company:

- Blue Star is a leading AC&R vocational training partner for several corporates and institutes, including Thakkar Bappa Vidyalaya, Chennai, Ramakrishna Mission Shilpamandir, Kolkata, and Apollo Foundation - Total Health, Aragonda. Over 500 participants benefited from these skill development programmes.
- The Company extended support to 10 government schools in Kala Amb, Himachal Pradesh, to promote digital education. The initiative aims to foster self-learning among students and engage the broader community in bridging the digital divide. The project has positively impacted more than 2100 underserved students in remote areas of the state.
- In FY25, Blue Star sponsored the education of over 65 tribal girls from low-income families in Odisha. To promote STEM learning, the Company established a Tinkering Laboratory and conducted both residential and non-residential STEM learning camps for tribal students at a government school. The initiative benefited over 6000 students in the Palghar district.
- Blue Star supported 31 children at the Anandam Special School in Chennai, Tamil Nadu, focusing on their developmental needs. The Company provides rehabilitation, therapeutic support, and vocational training, helping children build self-reliance and develop skills that enhance their future employability.
- Over 12000 students and teachers from government schools in Palghar, Maharashtra, benefited from an eye screening programme and received corrective eyewear, supported by Blue Star.
- In Himachal Pradesh, the Company launched a project to promote women's self-employment and enhance local tourism. As part of this initiative, 100 young women from Sirmaur and Bonga Sahib (Hamirpur District) received digital marketing training.
- Through its flagship initiative, the 'Mohan T Advani Centennial Scholarship Programme' Blue Star Foundation (BSF) continues to support 22 engineering, 13 diploma, and 9 architecture colleges across India. In FY25, BSF supported nearly 350 scholars, including 124 bachelors and 48 diploma students. The programme also included soft skills training, site visits, and factory tours, alongside technical workshops on topics such as energy-efficient AC systems and modern trends in air conditioning.
- Under the National Apprenticeship Promotion Scheme (NAPS), the Company supported 375 apprentices as part of its commitment to skill development.
- In Sri City, Blue Star trained over 100 youth in BFSI, and beauty & wellness sectors, supporting their economic empowerment and improved livelihood opportunities.
- In the districts of Chengalpattu and Thanjavur of Tamil Nadu, Blue Star supported a socio-economic development initiative aimed at empowering women through vocational training in Aari embroidery, bamboo products, and banana fibre handicrafts. In Palghar and Dadra, women received training in tailoring. The programme, which impacted over 500 women, encourages financial independence and promotes sustainable livelihoods by helping women start small businesses and contribute to their households and communities.
- The Company established a model Anganwadi Centre to create a scalable, replicable infrastructure model in Sri City. The initiative promotes play-based and spatial learning and includes capacity building for Anganwadi workers. In FY25, five additional Anganwadi centres near the manufacturing plant in Sri City were also renovated under this programme.
- Two classrooms were constructed at a Government school in Bakras, located in the remote Sirmaur district of Himachal Pradesh, addressing a severe shortage of infrastructure in a geographically challenging area. This has significantly improved the learning environment for students.

- In Chhindwara, Madhya Pradesh, the Company supported the training of 80 youth in various skills, including bar-bending, formwork carpentry, cooking, baking, and backhoe loader operations.
- Blue Star also contributed to capacity-building initiatives for Farmer Producer Organisations (FPOs) in Himachal Pradesh, benefiting hundreds of farmers.
- Further details on the Company's social responsibility initiatives can be found in the Business Responsibility Report on page 161 and the Integrated Report on page 62.

Governance

Code of Conduct and Whistle Blower Programme

Blue Star has in place a well-defined Code of Conduct applicable to its directors, employees, and business partners. The Company's whistle blower mechanism is available not only to all employees but also to its network of business associates, providing them with a robust platform to report any unethical business practices without hesitation or fear.

Details relating to the Company's governance initiatives are provided in the Business Responsibility and Sustainability Report on page 161.

Board Diversity and Independence

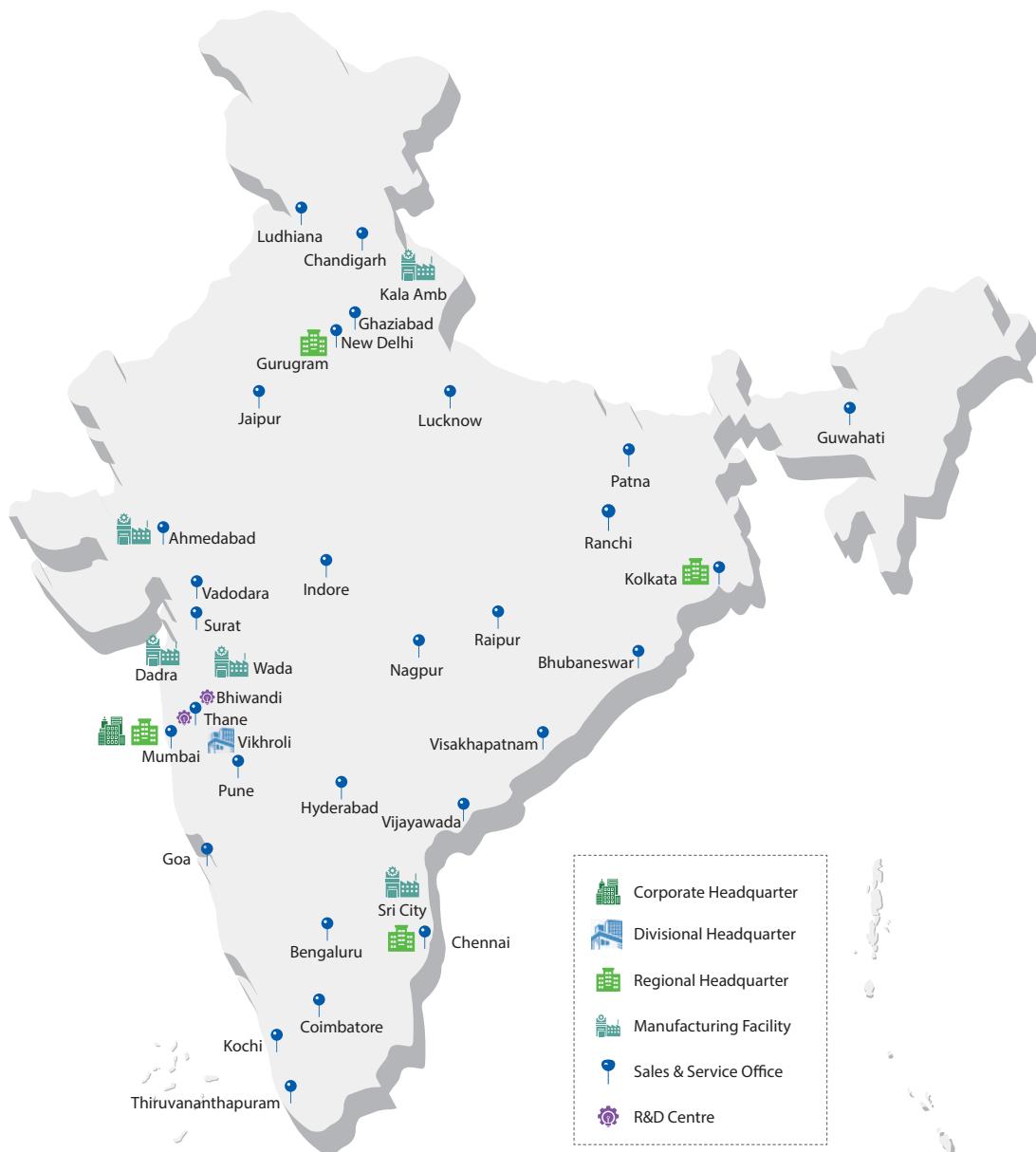
The Company has a balanced and diverse Board, which includes Executive and Non-Executive Directors, ensuring the independence of the Board and a clear separation between governance and management functions. Further details are available in the Corporate Governance Report on page 124.

Some of the other governance initiatives undertaken are:

- The Company has implemented an integrated vigil mechanism framework and remains ahead of the curve in its processes related to Enterprise Risk Management, Related Party Transactions, and Internal Financial Controls.
- The Company has formulated a Governance, Risk, and Compliance (GRC) policy, aligned with the COSO 2017 framework, to effectively deepen the integration of GRC elements.
- The Company's disclosure standards are of a very high order.

More details on the Company's corporate governance practices are provided in the Corporate Governance Report on page 124.

Geographical Outreach



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

Board's Report

To the Members,

The Directors are pleased to present the 77th Annual Report, together with the audited financial statements for the financial year ended March 31, 2025.

COMPANY OVERVIEW

Your Company offers one of India's widest ranges of room air conditioning and commercial refrigeration & air-conditioning products, as well as a comprehensive range of air purifiers, air coolers, storage water coolers, water purifiers, cold chain equipment and specialty products. It fulfils the cooling, refrigeration & air-conditioning requirements of a large number of corporate, commercial as well as residential customers.

Leveraging on its project execution capabilities, your Company offers turnkey solutions in MEP (Mechanical, Electrical, Plumbing and Fire-fighting) contracting for

Buildings, Factories, Data Centres, Infrastructure, Heavy Industry and Water Distribution projects.

Your Company's integrated business model of a Manufacturer, Contractor and After-sales service provider enables it to offer end-to-end solutions to its customers, a factor that has proved to be a significant differentiator in the marketplace.

FINANCIAL HIGHLIGHTS

The financial statements of the Company are prepared in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') including Accounting Standards as specified in Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, and amendments thereof. The consolidated and standalone financial highlights of the Company for the financial year ended March 31, 2025, are summarised as follows:

Particulars	(₹ in crores)			
	Consolidated		Standalone	
	For the year ended	For the year ended	March 31, 2025	March 31, 2024
Revenue from operations		11,967.65	9,685.36	11,325.75
Total Income		12,042.65	9,732.78	11,387.33
Total Expenses		11,268.90	9,176.11	10,737.40
Profit before share of profit of Joint Venture, exceptional items and tax		773.75	556.67	649.93
Share of profit of Joint Venture		(1.33)	0.49	NA
Exceptional Items		12.51	-	-
Profit before tax		784.93	557.16	649.93
Income tax		(193.65)	(142.85)	(165.03)
Profit after tax		591.28	414.31	484.90
				367.50

OPERATING RESULTS

On the back of exceptional performance in previous financial year, your Company concluded this year also on a strong note, driven by sustained demand for its existing offerings, successful launches of new products across key segments, and a healthy carried-forward order book. It continues to maintain focus on long-term growth through investments in manufacturing capacity, research and development, sales and distribution expansion, digital transformation, talent development, and capability building. Reaffirming its strategic priorities, the Company remains committed to strengthening its market position through consistent investment in innovation, operational scalability, and organizational excellence.

On a consolidated basis, revenue from operations for the current financial year grew 23.6% to ₹ 11,967.65 crores as compared to ₹ 9,685.36 crores in the previous financial year. Your Company's consolidated Total Income in the current financial year crossed ₹ 12,000 crores. Net profit (including share of profit of Joint Venture) before exceptional items and tax for the current financial year, grew 38.6% to ₹ 772.42 crores as compared to ₹ 557.16 crores in the last financial year whereas, net profit after exceptional items and tax grew 42.7% to ₹ 591.28 crores as compared to ₹ 414.31 crores in the last financial year.

On a standalone basis, revenue from operations of the Company grew 25.9% to ₹ 11,325.75 crores as compared to ₹ 8,998.88 crores in the previous year. Your Company's

standalone net profit before exceptional items and tax for the current financial year, grew 32.2% to ₹ 649.93 crores as compared to ₹ 491.69 crores in the last financial year whereas, net profit after exceptional items and tax grew 31.9% to ₹ 484.90 crores as compared to ₹ 367.50 crores for the previous year.

Your Company and its subsidiaries (Group) operate in three business segments: (i) Electro-Mechanical Projects and Commercial Air Conditioning Systems; (ii) Unitary Products; and (iii) Professional Electronics and Industrial Systems. Performance of the Group in the above-mentioned segments during the year under review is stated below:

I. Electro-Mechanical Projects and Commercial Air Conditioning Systems

a. Electro-Mechanical Projects Business

The year saw strong order finalizations, particularly from the factory and data center segments. In contrast, demand from commercial real estate and infrastructure remained subdued. The Company continues to prioritize timely project execution with a focus on maintaining healthy profitability and robust cash flows. With rising investments in data centers and a growing emphasis on manufacturing, the outlook for FY26 appears promising. The carried-forward order book stood at ₹4,755 crores as of March 31, 2025, reflecting a 9.5% increase from ₹4,344 crores a year earlier.

b. Commercial Air Conditioning Systems

The Commercial Air Conditioning business delivered a robust performance during the year, reinforcing its market leadership and achieved improved profitability. This growth was largely supported by sustained demand from the Healthcare, Hospitality, and Education sectors, reflecting continued infrastructure expansion and increased investments in these areas. While the Industrial and BFSI sectors exhibited a more cautious stance, with demand remaining muted, last quarter of the year witnessed early signs of recovery in Government procurement activity—an encouraging indicator for future momentum. Your Company continues to maintain its No.1 position in Ducted Systems and second position in VRFs and Screw Chillers.

c. International Business

In FY25, your Company developed products for three Original Equipment Manufacturers (OEMs) in the US and Europe, with commercial shipments commencing post successful field trials. Although global trade volatility has caused some slowdown, enquiry levels remain strong—driven by expectations of an India-US trade deal and ongoing supply chain de-risking by these OEMs. While international business gained some traction this year, we are still in start-up mode. The improved enquiry levels give us confidence and we continue to remain optimistic about the future prospect of this business.

Revenue in this segment for the year grew by 27.2% to ₹ 5,997.99 crores as against ₹ 4,715.46 crores in the previous year. The segment result grew 43.9% to ₹ 490.88 crores as compared to ₹ 341.09 crores in the previous year.

II. Unitary Products

a. Cooling and Purification Products Business

Building on the strong performance of the previous financial year, FY25 saw robust demand growth, resulting in outstanding overall business performance. Strong demand for Air Conditioning products helped the Company to maintain the growth momentum during this financial year. Market share during the year improved and is estimated to be close to 14% compared to 13.75% in FY24. With an expanded product portfolio, enhanced distribution network and supportive weather conditions, this growth momentum is expected to sustain in the coming years.

b. Commercial Refrigeration Business

The Commercial Refrigeration business faced headwinds in H1FY25 due to regulatory changes, supply chain issues, and an FMCG slowdown impacting demand for deep freezers. However, the later half of the year saw a revival driven by recovering demand in ice creams, frozen foods, and the expansion of quick commerce platforms, supporting a positive outlook ahead. The Company continued to maintain leadership position in Deep Freezers, Storage Water Coolers and Modular Cold Rooms.

Improved consumer sentiment and a holistic demand recovery drove a 22.4% revenue growth in this segment, reaching ₹5,621.11 crores in FY25, up from ₹4,592.20 crores in the previous year. Segment results also strengthened to ₹471.26 crores, compared to ₹360.31 crores in FY24.

III. Professional Electronics and Industrial Systems (PE&IS)

The year had been a challenging one for this Segment. The healthcare business faces challenges due to regulatory developments related to refurbished equipments, leading to a decline in both revenue and profitability. Also, the data security business continued to face headwinds with customers moving from on-premises IT infrastructure to the cloud. While the non-destructive testing business is going well, it has not been able to offset the shortfall from the other businesses.

The segment revenue for the year de-grew by 7.7% to ₹ 348.55 crores as against ₹ 377.70 crores in the previous year. The segment result stood at ₹ 29.72 crores as compared to ₹ 51.50 crores in the previous year.

DIVIDEND

The Board at its meeting held on May 7, 2025, has recommended a final dividend of ₹ 9 per Equity Share of face value of ₹ 2 each for the financial year ended March 31, 2025. This dividend will be paid subject to the approval of the members at the Annual General Meeting to be held on August 6, 2025, to those members whose names appear in the list of Beneficial Owner/Register of Members as on the record date, i.e. July 18, 2025.

The Board has adopted the Dividend Distribution Policy for the Company which can be viewed on the website of the Company at: <https://www.bluestarindia.com/media/104569/dividend-distribution-policy.pdf>

FINANCING

During this year, the finance cost on a consolidated basis reduced to ₹ 48.80 crores as compared to ₹ 58.08 crores in the previous year due to reduced average borrowings levels.

The Company's forex cost was ₹ 11.83 crores for the year as compared to ₹ 3.74 crores in the previous year. The heightened currency volatility, especially in second half of FY25 led to increase in forex cost. Your Company monitors

foreign currency exposure and takes appropriate actions as guided by Foreign Exchange Risk Management Policy.

DEPOSITS

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

CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), and Section 129(3) of the Act, the consolidated financial statements prepared by the Company as per the Indian Accounting Standards (Ind AS), forms part of this Annual Report.

The Consolidated Financial Statements shall also be laid at the ensuing Annual General Meeting of the Company for members approval.

SUBSIDIARIES AND JOINT VENTURE COMPANIES

I. Subsidiary Companies:

a) Blue Star Engineering & Electronics Limited

Blue Star Engineering & Electronics Limited ('Blue Star E&E') is a wholly owned subsidiary of the Company. Blue Star E&E provides advanced technology products to the BFSI and Healthcare sectors as well as turnkey engineering solutions that cater to the Industrial sector. It is an exclusive distributor and system integrator in India for many globally renowned manufacturers of high-technology professional electronics equipment and solutions, as well as industrial products and systems.

Revenue from operations from Blue Star E&E for the year ended March 31, 2025, was ₹ 353.66 crores, as against its previous year's revenue of ₹ 383.01 crores. The subsidiary achieved a net profit of ₹ 40.17 crores for the year under review, as against last year's net profit of ₹ 46.35 crores.

b) Blue Star Climatech Limited

Blue Star Climatech Limited is as a wholly owned subsidiary of the Company. It is a material subsidiary as per the thresholds laid down

under the Listing Regulations for financial year 2024-25. Blue Star Climatech is a manufacturer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products.

Blue Star Climatech's state-of-the-art manufacturing facility in Sri City, Andhra Pradesh, has an annual capacity of 9.6 lakh units. This automated, smart factory incorporates advanced automation techniques across its assembly lines and material handling systems, with extensive integration of IoT and digitalisation. Committed to sustainability, Blue Star Climatech has implemented several green initiatives, including an advanced effluent treatment plant, rainwater harvesting, and solar power installations.

Revenue from operations of Blue Star Climatech for the year ended March 31, 2025, was ₹ 1,484.24 crores as compared to last year's revenue of ₹ 718.75 crores. The subsidiary achieved a net profit of ₹ 61.52 crores for the year under review, as against last year's net profit of ₹ 22.72 crores.

c) Blue Star International FZCO

Blue Star International FZCO is a wholly owned subsidiary of the Company, operating in the Dubai Airport Freezone, UAE. It is responsible for the development and growth of the Company's Global Products Sales business in Middle East and Africa (MEA) regions.

This company primarily promotes the export of Blue Star's air conditioning and commercial refrigeration products and systems.

The consolidated revenue from operations and net profit of this company for the year ended March 31, 2025, was ₹ 331.48 crores and ₹ 5.89 crores as compared to ₹ 386.13 crores and ₹ 9.67 crores in the previous financial year. On a standalone basis, revenue from operations and net profit of this company for the year ended March 31, 2025, was ₹ 155.51 crores and ₹ 4.52 crores as compared to ₹ 352.01 crores and ₹ 14.58 in the previous financial year.

d) Blue Star MEA Airconditioning LLC

Blue Star MEA Airconditioning LLC (Formerly 'Blue Star Systems and Solutions LLC') is a wholly owned subsidiary of Blue Star International FZCO and is engaged in the activities of directly selling

central air conditioning equipment, executing mid-sized HVAC projects, and offers after-sales service in the mainland UAE.

During the year, this subsidiary changed its name to Blue Star MEA Airconditioning LLC in order to represent the brand visibility better in the market.

Revenue from operations of this company for the year ended March 31, 2025, was ₹ 173.88 crores as compared to last year's revenue from operations of ₹ 30.06 crores. This company has generated a net profit of ₹ 2.70 crores for the year ended March 31, 2025, as compared to a net loss of ₹ 5.06 crores in the last year.

e) Blue Star Qatar W.L.L.

Blue Star Qatar W.L.L., a 49:51 joint venture between the Company and Al Malki Trading and Contracting W.L.L., Blue Star Qatar is principally engaged in the business of MEP contracting and maintenance in Qatar for residential, commercial and industrial purposes.

It is a subsidiary of the Company under Section 2(87)(i) of the Act, as the Company controls the management of Blue Star Qatar.

Revenue from operations of Blue Star Qatar for the year ended March 31, 2025, was ₹ 67.31 crores as compared to ₹ 121.35 crores in the previous financial year. Net profit for the year ended March 31, 2025, was ₹ 0.80 crores as compared to net loss of ₹ 12.78 crores in the previous year.

f) BSL AC&R (Singapore) Pte. Ltd.

BSL AC&R (Singapore) Pte. Ltd., was incorporated in Singapore as a wholly owned subsidiary of Blue Star International FZCO to directly sell central air conditioning equipment, execute mid-sized HVAC projects and offer after-sales service. This company also owns a 49% stake in the joint venture, Blue Star M&E Engineering Sdn Bhd.

Revenue from operations of this subsidiary for the year ended March 31, 2025, was ₹ 2.09 crores as compared to last year's revenue of ₹ 4.06 crores. This subsidiary incurred a net loss of ₹ 0.09 crores for the year ended March 31, 2025, as compared to net profit of ₹ 0.15 crores in the previous financial year.

g) Blue Star North America Inc.

Blue Star North America Inc., was incorporated in the State of Delaware, as a wholly owned subsidiary of the Company. It is currently engaged in the business of Custom Design & Manufacturing (CDM) of air conditioning, heating and refrigeration equipment for OEM brands in the United States, Canada, and Latin American markets.

Revenue from operations of this subsidiary for the year ended March 31, 2025, was ₹ 333.10 crores as compared to last year's revenue of ₹19.45 crores. Net profit for the year ended March 31, 2025 was of ₹ 15.34 crores as compared to net loss of ₹ 5.51 crores in the previous financial year.

h) Blue Star Europe B.V.

Blue Star Europe B.V., was incorporated in Netherlands, Europe, as a wholly owned subsidiary of the Company. It is currently engaged in the business of Custom Design & Manufacturing (CDM) of air conditioning, heating and refrigeration equipment for OEM brands in the European market.

Revenue from operations of this subsidiary for the year ended March 31, 2025, was ₹ 7.73 crores as compared to nil revenue of last year. This subsidiary incurred a net loss of ₹ 10.23 crores for the year ended March 31, 2025, as compared to net loss of ₹ 10.12 crores in the previous financial year

i) Blue Star Innovation Japan LLC

Blue Star Innovation Japan LLC, was incorporated in Japan as a wholly owned subsidiary of the Company for the purpose of Research and Developments (R&D) of refrigeration cycles, control algorithms, and control boards for residential and commercial air conditioners and cold / hot water chillers.

Revenue from operations of this subsidiary for the year ended March 31, 2025, was ₹ 7.55 crores as compared to nil revenue of last year. Net profit for the year ended March 31, 2025 was ₹ 0.27 crores as compared to net loss of ₹ 2.92 crores in the previous financial year.

j) Blue Star Air Conditioning & Refrigeration (U) Limited

Blue Star International FZCO, wholly owned subsidiary of the Company, had incorporated Blue Star Air Conditioning & Refrigeration (U) Limited as its wholly owned subsidiary, at Uganda. This subsidiary is incorporated for the purpose of carrying manufacture, sale and distribution of all kinds of air conditioning and commercial refrigeration products and systems and fabrication and repair of air conditioning system. This subsidiary has generated nil revenue from operations for the financial year ended March 31, 2025 and March 31, 2024. It incurred a net loss of ₹ 1.26 crores for the year ended March 31, 2025, as compared to no profit or loss in the previous financial year.

II. Joint Venture Companies:

a) Blue Star M & E Engineering Sdn Bhd

Blue Star M & E Engineering Sdn Bhd, a 49:51 joint venture between BSL AC&R (Singapore) Pte. Ltd. and Amcorp Properties Bhd, Malaysia, has been principally engaged in the business of HVAC contracting and maintenance in Malaysia.

This company's total income for the year ended March 31, 2025, was ₹ 62 crores as compared to ₹ 83.31 crores in the previous financial year. It incurred a net loss of ₹ 4.4 crores for the year ended March 31, 2025, as compared to net profit of ₹ 1.23 crores in the previous year.

b) Blue Star Oman Electro-Mechanical Company LLC

Blue Star Oman Electro-Mechanical Company LLC is a joint venture between W J Towell & Co LLC and the Company and it was formed to principally engage in the business of MEP contracting and maintenance in Oman.

Owing to certain disputes with the joint venture partners, the Board of Directors of the Company had approved a proposal to exit this Joint Venture in FY19 subject to regulatory and other compliances as may be applicable. The Company, in the year 2020, made an application to the Reserve Bank of India for its approval for a write-off of investment in this Joint Venture

under the provisions of the Foreign Exchange Management Act. The approval from Reserve Bank of India is awaited.

W J Towell & Co LLC initiated arbitration proceeding with International Chamber of Commerce against the Company for the ongoing dispute. Initially, the claim was filed for OMR 103,18,000 (approx. ₹ 223.60 crores) which at the filing stage was subsequently revised to OMR 211,80,748 (approx. ₹ 461.74 crores). The Company has filed its response contesting the claim raised by WJT and the matter is at advance stage.

No company became or ceased to be a Subsidiary / Associate / Joint Venture company of the Company during the year under review.

As required under Section 136 of the Act, the audited annual accounts, including the consolidated financial statements of the Company and audited accounts of the subsidiary companies, are available on the website of the Company at www.bluestarindia.com.

A copy of these documents will be made available to the members, on their request in writing. The annual accounts will also be available for inspection by any member at the registered office of the Company during business hours up to the date of the Annual General Meeting.

A statement containing the salient features of the financial statements of the subsidiaries and joint venture companies in Form AOC-1, as required under Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Consolidated Financial Statements.

NEW INITIATIVES

Demonstrating its commitment to innovation and customer-focused growth, your Company continued to strengthen its product portfolio and operational capabilities during the year. It successfully launched several new products, including centrifugal chillers, data centre chillers, brine chillers, and VRF Lite systems. Additionally, a new range of scroll and screw chillers was introduced. The Company also unveiled an extensive range of air conditioners, including a premium flagship series designed to cover all consumer segments and

price points. This range featured energy-efficient 3-star and 5-star models across capacities from 0.8 TR to 4 TR, with many models equipped with advanced features. The Company also designed and manufactured Air-to-Air Heat Pumps and Air-to-Water Heat Pumps for its OEM customers in the North America and European Markets.

In FY25, Blue Star also introduced a broad portfolio of energy-efficient deep freezers with cooling capabilities down to -26°C, available in capacities ranging from 60 to 600 litres. All commercial refrigeration products are manufactured at the Company's Wada and Ahmedabad plants, in alignment with its 'Make in India, Make for the Globe' vision. The Company is also expanding its cold chain solutions portfolio to serve a wide array of industry sectors.

Blue Star has also undertaken several initiatives focused on technology-led digitalisation of key business processes, employee engagement, the adoption of sustainable technologies, and the integration of internet-enabled automation across its products and services. For more information on the products launched during the year, please refer to the Intellectual Capital section of the Integrated Report.

AWARDS AND RECOGNITIONS

During the year under review, the Company and its group entities were felicitated with many prestigious awards for excellence in its areas of business, which are as under:

- Blue Star was honoured with the prestigious 'Adam Smith Award for Best Emerging Technology Solution' in Singapore.
- Blue Star's regional office located at Sakinaka, Mumbai, won the Net Zero Green Energy Platinum Award.
- Blue Star's 'Garmi Ki Chhutti' summer campaign 2024 won Gold at the Indian Marketing Awards for 'Best Use of Technology'.
- Blue Star's Indirect Tax team honoured with the 'Innovation in Litigation Management Award' at the 8th Edition of the Tax Strategy & Planning Summit & Awards 2024.
- Blue Star was awarded the 'Best Warehousing Company of the Year' in the Consumer Appliances category at the prestigious 3rd Annual Warehouse and Supply Chain Leadership Awards.

- Blue Star's Direct Tax team was honoured with the prestigious 'Best Innovation in Tax Technology Award' at the NXTGEN Tax Innovation Confex & Awards 2024.
- Blue Star's Ecommerce Marketing team was awarded the Gold Award in the 'Best Performance Marketing Campaign' category at the 15th Edition of the Indian Digital Marketing Awards.
- Blue Star was honoured with seven Brandon Hall HCM Excellence Awards at the HCM Excellence Conference.
- Blue Star's HP Plant won Gold at the QCFI Offshore Convention on Quality Concepts.
- Blue Star's HP Plant received Gold Award at the Quality Circle Forum of India.
- Blue Star won Gold Award at the National Competitiveness Cluster Summit.
- Blue Star's Commercial team bags the Digital Customer Experience Award at the Retail, Distribution and Ecommerce Summit.
- Blue Star's Wada Plant won the Excellence Award for Rooftop Solar at CII 2024.
- Blue Star E&E's Non-Destructive Testing team won the 'Best Performance Award' at the 20th World Conference on Non-Destructive Testing.
- Blue Star was honoured with the 'Best Use of Technology in CX' award at the 8th Service Quality Excellence India Summit and Awards.
- Blue Star received the NSCI Safety Award for its project in Pune.

DIRECTORS

Board

As on March 31, 2025 and the date of this Report, the Board of the Company consists of twelve Directors comprising of six Independent Directors, three Non-Executive Non-Independent Directors and three Executive Directors. The Board comprised two women Directors, one Independent Director and one Non-Executive Non-Independent Director.

Retire by rotation

In accordance with the provisions of the Act, Dinesh Vaswani (DIN: 00306990), retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself

for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

A brief profile of Dinesh Vaswani is annexed to the notice convening Annual General Meeting.

Appointment of Executive Director

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and subject to approval of members, had approved the appointment of Ponnada Venkata Rao (DIN: 09177075), as an Additional Director designated as an Executive Director - Projects, Solutions & International and Key Managerial Personnel of the Company with effect from August 7, 2024, liable to retire by rotation. Subsequently, the Members of the Company vide special resolution passed through postal ballot on September 25, 2024 had approved the appointment of Ponnada Venkata Rao as an Executive Director - Projects, Solutions & International for a period commencing from August 7, 2024 to July 31, 2028.

Re-appointment of Vir S Advani as Chairman & Managing Director

Considering Vir S Advani's current term set to conclude this fiscal year, the Nomination and Remuneration Committee (NRC) and the Board of Directors, after detailed assessment and in line with NRC Policy, recommended re-appointment of Vir S Advani (DIN: 01571278), as the Chairman & Managing Director of the Company for a term of five years commencing from April 1, 2026 and ending on March 31, 2031, for approval of the Members at the ensuing AGM.

The Notice convening the ensuing AGM sets out the brief profile, other details and disclosures with respect to re-appointment of Vir S Advani as the Chairman & Managing Director.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declarations from each of the Independent Directors of the Company under Section 149(7) of the Act and Regulation 25 of the Listing Regulations, confirming that they meet with the criteria of independence as laid down in Section 149(6) of the Act, along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. The declarations also confirm compliance with sub rule 3 of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

KEY MANAGERIAL PERSONNEL

As required under the provisions of Section 203 of the Act, the following personnel have been designated as the Key Managerial Personnel of the Company:

Name	Designation
Vir S Advani	Chairman & Managing Director
B Thiagarajan	Managing Director
Ponnada Venkata Rao	Executive Director - Projects, Solutions & International*
Nikhil Sohoni	Group Chief Financial Officer
Rajesh Parte	Company Secretary & Compliance Officer

*Effective August 7, 2024.

BLUE STAR EMPLOYEES STOCK OPTION SCHEME – 2024

Pursuant to the recommendations of the Board of Directors at its Meeting held on August 6, 2024 and approval of shareholders by way of Postal Ballot vide Special Resolution dated September 25, 2024, your Company has implemented the Blue Star Employees Stock Option Scheme 2024 ('ESOP 2024').

ESOP 2024 was introduced by the Company in order to motivate the employees of the Company and its subsidiary companies for their contribution towards the growth of the Company, to foster a spirit of entrepreneurial mindset, and to retain them for ensuring sustained growth. It enables the alignment of personal goals of the employees with organisational objectives by allowing their participation in the ownership of the Company.

Under ESOP 2024 the Company can grant maximum of 5,00,000 Stock Options to Eligible Employees. Each Stock Option shall be convertible into one equity share of face value of ₹ 2/- (Rupees Two Only) each fully paid-up. ESOP 2024 is administered through Blue Star ESOP Trust.

ESOP 2024 has been implemented in accordance with the provisions of the Act and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) ('SEBI SBEB Regulations'). The certificate from the Secretarial Auditors on the implementation of the ESOP 2024 in accordance with the SEBI SBEB Regulations and the resolution passed by the members of the Company, has been uploaded on the website of the Company at: <https://www.bluestarindia.com/investors/annual-report>

The details of the Stock Options granted under the ESOP 2024 and the disclosures in compliance with SEBI SBEB Regulations are available on the website of the Company at: <https://www.bluestarindia.com/investors/other-updates>

DIRECTORS' RESPONSIBILITY STATEMENT

Under the provisions contained in Section 134(5) of the Act, the Directors, to the best of their knowledge and belief, confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit of the Company for the period April 1, 2024 to March 31, 2025;
- They have taken proper and sufficient care of the maintenance of adequate accounting records, under the provisions of the Act for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts for the year ended March 31, 2025, on a going concern basis;
- They have laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and are operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems are adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 5 (five) meetings of the Board of Directors were held. The intervening gap between these meetings was within the period prescribed under the Act and Listing Regulations. The details of the meetings and attendance of the Directors are provided in the Corporate Governance Report.

BOARD COMMITTEES

Your Company has in place all the Committees as mandated under the provisions of the Act and Listing Regulations as mentioned below:

- Audit Committee
- Nomination and Remuneration Committee
- Investor Grievance cum Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility and Environmental, Social & Governance Committee

Additionally, there are following Committees constituted for operational and administrative affairs:

- Share Transfer Committee
- Executive Management Committee

AUDIT COMMITTEE

As on March 31, 2025, the Audit Committee comprises three Independent Directors viz. Anil Harish (Chairman), Arvind K Singhal and G Murlidhar and one Executive Director, B Thiagarajan. The composition of the Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The terms of reference of the Committee conform with the Act and the Listing Regulations as more particularly set out in the Corporate Governance Report, which forms a part of this Annual Report. During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2025, the Nomination and Remuneration Committee comprises two Independent Directors viz. Sam Balsara (Chairman) and Anita Ramachandran and one Non-Executive Director, Dinesh N Vaswani.

The Committee is constituted in line with the requirements mandated by Section 178 of the Act and Regulation 19 of the Listing Regulations. The terms of reference of the Committee conform with the said requirements, as more particularly set out in the Corporate Governance Report, which forms part of this Annual Report.

INVESTOR GRIEVANCE CUM STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2025, the Investor Grievance cum Stakeholders' Relationship Committee comprises one Independent Director, Arvind K Singhal (Chairman) and two Non-Executive Directors viz. Rajiv R Lulla, and Sunaina Murthy. The Committee is constituted in line with the requirements mandated by Section 178 of the Act and Regulation 20 of the Listing Regulations. The terms of reference of the Committee conform with the said requirements, as more particularly set out in the Corporate Governance Report, which forms a part of this Annual Report.

RISK MANAGEMENT COMMITTEE

As on March 31, 2025, the Risk Management Committee comprises two Executive Directors viz. Vir S Advani (Chairman) and B Thiagarajan, one Non-Executive Director, Rajiv R Lulla and one Independent Director, Anil Harish. The Company has adopted a formal Risk Management Policy. The Committee identifies, evaluates and assesses the risks, understands the exposure of risks, and accordingly prepares and oversees execution of appropriate risk mitigation plans and identification of possible opportunities. The Committee and the Board have identified elements of risks, which, according to them, are crucial to the Company. It has identified Risk Management Units within the Company, the risk profiles of which are constantly monitored, and the severity of risk is tracked, based on a systematic risk rating methodology. Details of these elements of risks have been covered in the Management Discussion and Analysis, and Integrated Report, which form part of this Annual Report and in the standalone financial statement in Note No. 42.

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL, SOCIAL & GOVERNANCE (CSR & ESG) COMMITTEE

As on March 31, 2025, the Corporate Social Responsibility and Environmental, Social & Governance (CSR & ESG) Committee comprises one Executive Director, B Thiagarajan (Chairman), one Independent Director, Anita Ramachandran, and one Non-Executive Director, Sunaina Murthy.

During the year under review, the Company's total CSR obligation was ₹ 7.04 crores i.e., two percent of its average net profits made during the three immediately preceding financial years. The Company has spent an amount of ₹ 7.39 crores towards various CSR initiatives. Based on the recommendation of CSR & ESG Committee, the Board of Directors have approved set-off of excess CSR spent of ₹ 0.35 crores towards CSR obligation of FY26. An amount of ₹ 0.13 crores in respect of ongoing project, viz. for empowering youth through Skill-based training through its implementing partner 'Confederation of Indian Industry (CII) Foundation' has been transferred to the Unspent Corporate Social Responsibility Account opened by the Company in accordance with the provisions of Section 135(6) of the Companies Act, 2013.

A brief outline of the CSR Policy and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 2 of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amendments thereof. The CSR Policy is available on the website of the Company at: <https://www.bluestarindia.com/media/343680/csr-policy.pdf>

Details of the other Committees of the Board including details of the meetings and attendance of all Committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF DIRECTORS

The Nomination and Remuneration Committee at its meeting held on January 28, 2025, and the Board at its meeting held on January 29, 2025, approved the criteria for evaluating the Chairman, Directors, the Board, and its Committees. Accordingly, the questionnaires were circulated seeking inputs of the Directors to evaluate on various parameters including structure and composition of the Board and Committees, quality of Board processes, Board culture and dynamics, effectiveness vis-à-vis stakeholders' expectations in terms of strategic direction, and guidance to the leadership team.

The inputs received from the Directors were deliberated upon and reviewed by the Independent Directors at a separate meeting held on March 26, 2025. At this meeting, they evaluated the performance of the Non-Independent Directors, the Board as well as that of the Chairman,

taking into account the views of the Executive and Non-Executive Directors. The Board of Directors carried out an annual evaluation of the performance of the Board as a whole, the Chairman, the Directors individually, and the working of the Committees of the Board. The outcome of the evaluation was noted by the Nomination and Remuneration Committee at its meeting held on April 30, 2025, and by the Board of Directors at its meeting held on May 7, 2025. Broadly, the Directors have expressed their satisfaction with the evaluation process and the outcome. The Board also noted the key action points that emerged from the process for implementation. Additional details on the Board Evaluation is provided in the relevant section of the Corporate Governance Report, which forms part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy has been adopted with the objective to provide a broad framework for the Board of Directors of the Company on appointment, removal, retirement, remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP); and Board diversity.

It is designed to foster a high-performance culture that enables the Company to attract, retain and motivate the Directors/KMPs/SMPs to achieve results. As part of the Policy, the Nomination and Remuneration Committee has to ensure that the appointment of the candidate for the position of Directors/KMPs/SMPs possess the requisite skills, competencies, expertise, optimum talent mix, independence and their remuneration structure/ payouts is decided based on the adequacy of the level and composition of remuneration, well defined performance parameters, appropriate balance between fixed and variable incentives, share-based and other compensation plans, Company's performance against the annual budget, and individual performance against the key result areas, compensation and benefits survey based on industry benchmarks and current trends. The performance of the Directors/KMPs/SMPs was evaluated and reviewed by the Nomination and Remuneration Committee.

During the year, in line with amendment in Listing Regulation, the definition of SMPs and role of Compliance Officer was amended in the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy is uploaded on the Company's website at: <https://www.bluestarindia.com/media/217800/blue-star-nrc-policy.pdf>

MANAGERIAL REMUNERATION

Details of the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof are provided below:

Name of Director	I The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	II The percentage increase in remuneration, if any, in the financial year
Non-Executive Directors[#]		
Sam Balsara	3.09	14.30
Anil Harish	3.23	11.16
Rajiv Lulla	2.96	12.29
G Murlidhar*	3.09	-
Sunaina Murthy	2.96	12.29
Anita Ramachandran	3.17	13.88
Arvind Kumar Singhal	3.23	11.16
Vipin Sondhi [*]	2.84	-
Dinesh Vaswani	3.05	14.53
Executive Directors		
Vir S Advani	141.54	52.49
B Thiagarajan	114.29	23.13
Ponnada Venkata Rao [^]	33.58	-
Group Chief Financial Officer		
Nikhil Sohoni	-	33.33
Company Secretary & Compliance Officer		
Rajesh Parte	-	10.37
#The remuneration of Non-Executive Directors covers sitting fees and commission.		
*G Murlidhar and Vipin Sondhi were appointed as an Independent Directors of the Company in Q4FY2023-24. Hence, percentage increase in remuneration is not reported.		
^Appointed as an Executive Director with effect from August 7, 2024. Hence, percentage increase in remuneration is not reported.		
III	The percentage increase in the median Remuneration of employees in the financial year	10.88%
IV	The number of permanent employees on the rolls of Company	3,523
V	Average percentile increases already made in the salaries of employees, other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase made in salaries to employees other than Managerial Personnel and justification thereof Average increase made in salaries to Managerial Personnel Exceptional circumstances for an increase to Managerial Personnel The average increase given in the financial year 2024-25 was based on the outcome of the compensation and benefits benchmarking to align the remuneration of Managerial Personnel to market median.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the Nomination and Remuneration Policy.

The Non-Executive Directors of the Company are paid sitting fees and commission as per the statutory provisions and within the limits approved by the members. The details of the remuneration of Non-Executive Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of corporate governance and continues to be compliant with the requirements of corporate governance as enshrined in the Listing Regulations.

The report on corporate governance together with a certificate from the Secretarial Auditors of the Company, confirming compliance with corporate governance norms as stipulated in the Listing Regulations, forms a part of this Annual Report.

VIGIL MECHANISM

Your Company is committed to conduct its business with the highest standards of ethics, integrity, and transparency across its operations, in compliance with the applicable laws and regulations. In line with a strong commitment to governance and compliance, the Company has instituted a robust Vigil Mechanism framework encompassing various elements and components in an integrated manner.

The Vigil Mechanism structure at your Company is based on the COSO 2017 ERM framework and COSO 2013 internal control-integrated framework governing risk, compliance, and controls. Embedded in the Vigil Mechanism structure are three lines of defence. The first line of defence comprises key management controls, viz., financial controls, governance policies, and internal control measures at the process owner level. The second line of defence is addressed by an assurance from risk management and compliance procedures. The third line of defence is provided through the work done by the Internal and the Statutory Auditors.

Governance policies, internal controls, stakeholders' engagement, enterprise risk management, compliance, and the internal and statutory audit, are key components of Blue Star's Vigil Mechanism. They are interwoven in the Vigil Mechanism system to enable constant interplays to drive home the assurance of best practices and creation of value for all the stakeholders of the Company.

As a part of its governance policies, the Company has in place a whistle blower policy to enable the Stakeholders to

report concerns of any unethical behaviour, unacceptable and improper practices, or suspected fraud. An Ethics Committee has been constituted, comprising the Group Chief Financial Officer, Group Chief Human Resources Officer, and Company Secretary & Compliance Officer (Ethics Officer) to administer this Policy. The Policy also provides a mechanism for stakeholders to approach the Chairman of Audit Committee or Ethics Committee. The Company has also adopted a robust Governance, Risk and Compliance Framework that enables a seamless integration of processes and components around the Company's governance, risk and compliance objectives. The Audit Committee reviews on a quarterly basis, whistle blower and other Code of Conduct complaints and oversees the implementation of corrective actions wherever necessary.

The Whistle Blower Policy is uploaded on the Company's website at: <https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf>

The Company has also adopted a Code of Conduct which is available on the Company's website at: <https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>

The Governance, Risk and Compliance Framework is uploaded on the Company's website at: https://www.bluestarindia.com/media/335126/governance-risk-compliance-framework_website.pdf

INTERNAL CONTROL SYSTEMS

The Company has established an internal control system commensurate with the size, scale, and complexity of its operations.

To enhance the standards of controls and governance, the Company has adopted the COSO 2013 framework to ensure that robust internal financial controls exist concerning operations, financial reporting, and compliance.

Significant features of the Company's internal control system are:

- A leading firm of Chartered Accountants manages the Internal Audit function in line with best-in-class governance practices. It reviews and reports to the Audit Committee about compliance with internal controls, the efficiency and effectiveness of operations as well as key process risks.
- The Audit Committee periodically reviews internal audit plans, significant audit findings, and adequacy of internal controls.

- Systematic self-certification of adherence to key internal controls, as part of control self-assurance by process owners, monitors, and reviewers.
- Adherence with a comprehensive information security policy and continuous upgrades of the Company's IT systems for strengthening automated controls.
- Appropriate segregation of duties and usage of technology for continuous controls monitoring and enhanced controls assurance.
- Continuous control review mechanism in place to check adequacy of the established internal controls.

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

Accordingly, the Board, with the concurrence of the Audit Committee and the Auditors believe that the Company's Internal Financial Controls were adequate and operating effectively for the financial year ended March 31, 2025.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2).

LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees, investments and security provided as covered under the provisions of Section 186 of the Act, as may be applicable are given in the standalone financial statements as Note No. 9-11.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has in place a process for approval of Related Party transactions and dealing with related parties. All the related party transactions are approved by the Audit Committee. All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

There are no material transactions with any related party as defined under Section 2(76) of the Act and Regulation

2(zb) of the Listing Regulations and hence disclosure in Form AOC-2 has not been provided.

The details of transactions with the related parties as per Indian Accounting Standards are provided in the standalone financial statements in Note No. 38.

A policy governing the related party transactions has been uploaded on the Company's website at: <https://www.bluestarindia.com/media/78799/policy-for-transaction-with-related-parties.pdf>

HUMAN RESOURCES

The Company continues to invest systematically in fostering a high-trust, performance-oriented culture across all levels of the organisation. During the year under review, efforts were intensified to strengthen employee engagement and development, with a focus on Gen-Z, thereby reinforcing the Company's position as an employer of choice in the markets it operates in.

The voice of employees remained central to the Company's people strategy. Inputs gathered through structured feedback mechanisms were meticulously analysed and translated into actionable enhancements in HR policies and processes. This approach enabled the organisation to remain agile and aligned with employee expectations, while maintaining benchmarked people practices. Employee engagement continued to be a vital pillar of the people agenda. The Company designed and implemented numerous initiatives aimed at strengthening bonds with the operator workforce and their families. These efforts not only improved workplace inclusivity but also helped deepen trust across this workforce.

A key priority for Blue Star has been building a future-ready, agile workforce. The Company's continued focus on aligning individual aspirations with organisational growth was evident through targeted learning and development initiatives. The Star Lead program, a flagship leadership pipeline initiative, has gained significant momentum. It is designed to nurture young managers by equipping them with critical competencies such as a growth and strategic mindset, intrapreneurial thinking, organisation-building capabilities, and customer centricity. This structured developmental intervention is a cornerstone of the Company's leadership-building philosophy.

In a move to foster a more inclusive and diverse leadership pipeline, customised development programmes and

support groups were launched for women managers. These initiatives were designed to create an enabling environment for career advancement and peer learning.

During FY25, several business-aligned learning programmes were deployed across the organisation. Capability development for both individual contributors and people managers remained a focus area, with curated learning journeys and mentoring support by internal middle management. In parallel, the Company scaled up technical and functional capability-building initiatives. A key milestone was the establishment of a state-of-the-art Learning Centre in Chennai. Complementing this, 'Training-on-Wheels' facility continued to enhance skill development for the channel partners' workforce across regions.

Digitalisation of HR processes progressed significantly, with enhanced user experience through customised platforms. This has streamlined transactions and improved access to services, aligning with the Company's broader digital transformation agenda.

Looking ahead, the Company will continue to prioritise capability development, digital enablement, and leadership pipeline building. Future initiatives will focus on data-driven workforce planning, expansion of diversity and inclusion strategies, and leveraging emerging technologies to enhance employee experience, ensuring that the human capital remains a strong driver of growth for the Company.

PARTICULARS OF EMPLOYEES

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting upon request in writing made by the shareholder to the Company Secretary of the Company.

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

The Company has zero-tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition, and redressal of the same, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder.

All employees (permanent, contractual, temporary, and trainees) are covered under this Policy. The Company has duly constituted Internal Complaints Committees in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to redress complaints received regarding sexual harassment. The Company organises workshops and awareness programs at regular intervals for sensitising the employees with the provisions of the said Act. During the year, the Company received two complaints of which one complaint was disposed of and one complaint which was pending as on March 31, 2025, was resolved after the close of the financial year.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company incurred a total expenditure of ₹ 139.50 crores on research and development for the year as against ₹ 143.47 crores in the previous year.

During the year, the Company recorded foreign exchange earnings from the export of its products, commission, and other income, aggregating to ₹ 530.26 crores as against ₹ 267.17 crores in the previous year. The foreign exchange outflow stood at ₹ 1,848.63 crores as compared to ₹ 1,555.43 crores in the previous year.

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of Listing Regulations, forms a part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report describing sustainability initiatives undertaken by the Company during the year under review is provided in a separate section forming part of this Annual Report.

INTEGRATED REPORTING

Your Company has adopted Integrated Reporting describing initiatives undertaken by the Company for enhancing stakeholders' value in the long term. The report on Integrated Reporting is provided in a separate section forming part of this Annual Report.

STATUTORY AUDITORS

The Company's existing Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were re-appointed by the Members at the 75th Annual General Meeting (AGM) of the Company held on August 3, 2023, for a period of 5 years, to hold office until the conclusion of the 80th AGM to be held for FY 2027-28 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

AUDITOR'S REPORT

The Audit Committee and the Board have duly reviewed the Statutory Auditor's Report on the financial statements. There is no qualification, reservation, or adverse remark given by the Auditors in their report.

COST AUDITORS

In terms of the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors had on the recommendation of the Audit Committee, appointed M/s Narasimha Murthy & Co, Cost Accountants, Hyderabad, as the Cost Auditors, to conduct the cost audit for the financial year ended March 31, 2025.

As per the Act, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s Narasimha Murthy & Co forms part of the Notice convening the Annual General Meeting.

COST RECORDS

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, the Board had appointed M/s NL Bhatia & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for conducting the secretarial audit of your Company for the financial year ended March 31, 2025.

The Secretarial Audit Report given by M/s N L Bhatia & Associates, Practicing Company Secretaries, has been provided in Annexure 3 to this Report.

As required under Regulation 24A of the Listing Regulations, the Secretarial Audit Report of Blue Star Climatech Limited, the material unlisted subsidiary, given by M/s Ashish Bhatt & Associates is also provided in Annexure 3A to this Report.

The Secretarial Audit Report of the Company and Blue Star Climatech Limited as mentioned above does not contain any qualification, reservation, or adverse remark.

In compliance with Regulation 24A of the amended Listing Regulations and Section 204 of the Act, the Board at its meeting held on March 18, 2025, based on recommendation of the Audit Committee, has approved the appointment of M/s MMJB & Associates LLP, Practising Company Secretaries, a peer reviewed firm (ICSI UIN: L2020MH006700) as Secretarial Auditors of the Company for a period of 5 (five) consecutive years commencing from the conclusion of upcoming 77th Annual General Meeting ('AGM') till the conclusion of 82nd AGM to be held in the year 2030, to conduct Secretarial Audit for the period from April 1, 2025 till March 31, 2030, subject to approval of the members at the ensuing AGM.

The Board places on record its sincere appreciation and gratitude to M/s N L Bhatia & Associates, Practicing Company Secretaries, for their dedicated and professional services as Secretarial Auditors of the Company over the past 10 years.

INTERNAL AUDITORS

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

REPORTING OF FRAUDS BY AUDITORS

During the year under review, none of the auditors, viz., statutory auditors, cost auditors, and secretarial auditors, have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the

details of which would need to be mentioned in the Board's Report.

ANNUAL RETURN

The annual return of the Company has been uploaded on the Company's website at: <https://www.bluestarindia.com/investors/annual-returns>

RESERVES

During the financial year, there was no amount proposed to be transferred to the reserves.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2025.

OTHER DISCLOSURES

- Except as provided in the Report, no material changes, and commitments affecting the financial position of the Company, have occurred between the end of the financial year under review and the date of this report.
- There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in the future.
- Your Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise.

- Your Company has listed its Commercial Paper on National Stock Exchange of India Ltd.
- Your Company has not issued any sweat equity shares.
- There has been no change in the nature of business of your Company.
- The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
- In terms of Regulation 34(3) read with Para A of Schedule V of the Listing Regulations, the Company, during the financial year, has not entered into any transaction with person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company.
- There was no revision of financial statements and Board's Report of the Company during the year under review.

ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation for the assistance, guidance, and co-operation provided by the Government of India and other regulatory authorities. The Directors thank the financial institutions and banks associated with the Company for their support as well. The employees are instrumental for the Company scaling new heights year after year, and their commitment and contribution are deeply acknowledged. Shareholders' involvement is greatly valued. The Directors look forward to your continuing support.

For and on behalf of the Board of Directors

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Date : May 7, 2025
Place: Mumbai

Annexure 1 to Board's Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Rule 8 of Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

- I. STEPS INITIATED OR IMPACT ON THE CONSERVATION OF ENERGY; AND**
- II. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:**

Details regarding conservation of energy in relation to Plants & Offices are provided in the Natural Capital section of Integrated Report.

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

The Company has spent an amount of ₹ 6.6 crores as capital investment towards energy conservation measures across various Plants & Offices.

(B) TECHNOLOGY ABSORPTION

I. EFFORTS MADE TOWARDSTECHNOLOGY ABSORPTION:

- a) The Company intends to increase its global footprint in the US and Europe markets.

The US residential ducted split HVAC market is undergoing a significant shift toward heat pump adoption, driven by energy efficiency goals and decarbonization efforts. Heat pumps offer both heating and cooling, making them ideal for year-round comfort and reducing reliance on fossil fuels. Simultaneously, American Innovation and Manufacturing (AIM) Act has mandated transition to low GWP refrigerants starting January 1, 2025. R-454B, a mildly flammable A2L refrigerant, is emerging as the preferred replacement for R-410A due to its lower global warming potential and similar performance characteristics. In line with the regulatory changes, the design and development of R-454B based inverter outdoor unit was taken up. The shift to R-454B requires updated safety protocols, equipment redesigns, and technical documentation. System design was finalized using virtual thermal

simulation tools. R&D worked extensively with compressor suppliers and electrical component suppliers to cover the safety aspect in unit design. Third party testing agency was engaged to carry out safety testing and ETL certification. Performance testing of the products was conducted in accordance with AHRI-210/240 standard.

- b) Efficiency standards are expected to be more stringent in near future. This means that the portfolio of variable speed (inverter-based) products is going to increase substantially.

The Company has decided to develop a capability to design and develop inverter drives to de-risk the supply chain. During the year, the Company developed a 1-phase inverter drive for compressors used in residential air conditioners and heat pumps. R&D engineers worked with experts in the field of power electronics to develop the drive. The new design drive qualifies for the CE certification requirement in Europe.

II. OUTCOME AND BENEFITS:

- a) The Company will be able to address growing demand of heat pumps in the US market in the form of newly developed R-454B based inverter outdoor unit. The product has been well received by the customer for its superior heating performance, build quality and lower sound level.
- b) In-house design of 1-phase drive has been designed with latest technology and safety features. The newly acquired design capability will reduce dependence on imports and provide supply chain flexibility. Since the IP is owned by the Company, the design can be customized for a wide range of residential air conditioners and heat pumps.

III. INFORMATION REGARDING IMPORTED TECHNOLOGY (IMPORTED DURING LAST 3 YEARS):

No technology has been imported by the Company in the last 3 years.

IV. EXPENDITURE INCURRED ON R&D:

Particulars	(₹ in crores)	
	2024-25	2023-24
Capital	81.19	94.24
Recurring	58.31	49.23
Total	139.50	143.47
Total R&D expenditure as a percentage of total turnover	1.17%	1.48%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(₹ in crores)	
	2024-25	2023-24
Total foreign exchange outgo	1,848.63	1,555.43
Total foreign exchange earned	530.26	267.17

For and on behalf of the Board of Directors

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Date : May 7, 2025
Place : Mumbai

Annexure 2 to Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Blue Star's CSR policy and projects are in accordance with Schedule VII read with Section 135 of the Companies Act, 2013.

Blue Star's CSR is committed towards sustainability and community development. Blue Star is committed to empowering communities through holistic vocational training, education, and health initiatives, significantly impacting society and elevating lives. Our aim is to contribute to the development of a sustainable and equitable society by aligning our CSR efforts with the Blue Star's core values. Blue Star is dedicated to creating long-term value for society, leveraging our resources, and engaging in responsible business practices. At Blue Star, employee participation in CSR initiatives is actively promoted to provide a sense of fulfilment beyond business objectives.

2. Composition of the CSR Committee:

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

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

<https://www.bluestarindia.com/media/292474/committee-charter.pdf>

<https://www.bluestarindia.com/media/343680/csr-policy.pdf>

<https://www.bluestarindia.com/media/343449/list-of-approved-projects-2024-25.pdf>

4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable. However, the Company had appointed an independent agency to undertake impact assessment on voluntary basis for one of its CSR Project. Impact assessment report for the same is available on the website of the Company at www.bluestarindia.com/media/404694/csr-impact-assessment-report.pdf.

5. (a) Average net profit of the company as per sub-section (5) of Section 135: ₹ 352.11 crores
- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 7.04 crores
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
- (d) Amount required to be set off for the financial year, if any: Not Applicable
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 7.04 crores

- 6.** (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 7.11 crores
- (b) **Amount spent in Administrative Overheads:** ₹ 0.15 crores
- (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
- (d) **Total amount spent for the Financial Year [(a)+(b) +(c)]:** ₹ 7.26 crores
- (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.26	0.13	April 1, 2025	-	-	-

- (f) **Excess amount for set off, if any:**

Sr. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per section 135(5)	7.04
(ii)	Total amount spent for the Financial Year	7.39*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.35
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years (iii)-(iv)	0.35

*including ₹ 0.13 crores transferred to unspent CSR Account pursuant to an ongoing project

- 7. Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes No

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

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

- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:** Not Applicable

Sunaina Murthy
Director
(DIN: 07865860)

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

Date : May 7, 2025
Place : Mumbai

Annexure 3 to Board's Report

SECRETARIAL AUDIT REPORT

To,
The Members,
BLUE STAR LIMITED

Our report of even date is to be read along with this letter.

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

For **N L BHATIA & ASSOCIATES**
Practising Company Secretaries
UIN: P1996MH055800
PR No.:6392/2025

Date: May 7, 2025
Place: MUMBAI

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436G000291832

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section - 204(1) of the Companies Act, 2013 and Rule - 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Blue Star Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Blue Star Limited having CIN: L28920MH1949PLC006870 ("hereinafter called the Company")**. Secretarial Audit in accordance with Auditing Standard issued by Institute of Company Secretaries of India (ICSI) was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 (**"the Act"**) and the Rules and Amendment(s) made thereunder (to the extent notified).
2. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made thereunder.
3. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
4. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and amendments thereto (**"SEBI Act"**):-
 - (a) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
 - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"LODR"**).
 - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, **to the extent applicable during the Financial Year.**
 - (f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Financial Year.**
 - (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Financial Year.**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not Applicable to the Company during the Financial Year.**

- (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
6. Other Applicable Laws as per list attached as 'Annexure - A' to this Report.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We report that, during the period under review, one of the Designated Persons of the Company traded in the Company's securities during the Trading Window Closure, in violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company reported the violation and the action taken to the Stock Exchanges, as required under the applicable regulations.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the Composition of the Board of Directors during the period under review. The following changes occurred during the Audit Period under review:-

- (1) Appointment of Mr. P Venkata Rao (DIN No.: 09177075) as an Executive Director- Projects, Solutions & International to hold office for a period commencing from August 7, 2024 to July 31, 2028 (i.e. the last day of the month in which he attain the age of 65 years).

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

During the Financial year under review, the Meeting of Independent Directors was held on March 26, 2025, for Board Evaluation.

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

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

We further report that during the period under review:

1. Pursuant to the approval obtained from the shareholders through Postal Ballot, the Company has implemented the Blue Star Employees Stock Option Scheme 2024 ("ESOP 2024"). The scheme authorizes the Company to create, offer, issue, and allot, in one or more tranches, up to 5,00,000 equity shares of face value Rs. 2/- each, fully paid-up, aggregating to approximately 0.24% of the existing paid-up equity share capital of the Company. The ESOP 2024 also extends to eligible employees of subsidiary companies. During the financial year, the Company granted a total of 80,660 Stock Options to 36 eligible employees, including employees of its subsidiary companies, under the ESOP 2024.
2. The Company has approved additional invested aggregating to JPY 240 million equivalent to 140 million INR in the share capital of Blue Star Innovation Japan LLC, a Wholly Owned Subsidiary of the Company.
3. The Company has entered into a transaction with the Company in which Independent Directors, namely Mr. Sam Balsara and Ms. Anita Ramachandran are interested, after necessary approvals and in compliance with the LODR.
4. During the financial year, the Company received a complaint under its Whistle Blower and the Prevention of Sexual Harassment (PoSH). The complaints are dealt in accordance with its internal procedures, policies and applicable regulatory requirements.

For N L BHATIA & ASSOCIATES
Practising Company Secretaries
UIN: P1996MH055800
PR No.:6392/2025

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436G000291832

'ANNEXURE - A'

LIST OF OTHER APPLICABLE LAWS

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

1. Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and rules thereunder, including statutory amendments made thereto.
2. Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation and Abolition) Central Rules, 1971, and applicable State Rules.
3. Industrial Employment (Standing Orders) Act, 1946 and Industrial Employment (Standing Orders) Central Rules, 1946, and applicable State Rules.
4. Factories Act, 1948 and applicable State Rules.
5. Foreign Trade (Development and Regulation) Act, 1992.
6. Securities and Exchange Board of India Act, 1992.
7. Industrial Disputes Act, 1947, and Industrial Disputes (Central) Rules, 1957, and applicable State Rules.
8. Apprentices Act, 1961, and Apprentices Rules, 1992.
9. Employee Compensation Act, 1923, and Workmen Compensation Rules, 1924 and applicable State Rules.
10. Employees' State Insurance Act, 1948, and Employees' State Insurance (Central) Rules, 1950, and Employees' State Insurance (General) Regulations, 1950.
11. Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and Employees' Provident Fund Scheme, 1952, and Employees' Pension Scheme, 1995, and Employees' Deposit Linked Insurance Scheme, 1976.
12. Equal Remuneration Act, 1976, and Equal Remuneration Rules, 1976.
13. Maternity Benefit Act, 1961, and applicable State Rules.
14. Payment of Bonus Act, 1965, and Payment of Bonus Rules, 1975.
15. Payment of Wages Act, 1936, and Payment of Wages (Nomination) Rules, 2009 and applicable State Rules.
16. Minimum Wages Act, 1948, and Minimum Wages Rules, 1950 and applicable State Rules.
17. Payment of Gratuity Act, 1972, and applicable State Rules.
18. Bombay Labour Welfare Fund Act, 1953, rules thereunder and other State Acts and rules thereunder.
19. Food Safety and Standards Act, 2006, and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011.
20. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
21. Information Technology Act, 2000, and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
22. Bureau of Indian Standards Act, 1986, and Indian Standard Code of Practice for Selection, Installation and Maintenance of Portable First Aid Fire Extinguishers.
23. Maharashtra Fire Prevention and Life Safety Measures Act, Rules and other applicable States Acts and Rules as applicable.
24. Legal Metrology Act, 2009, and Legal Metrology (Enforcement) Rules, 2011, Legal Metrology Packaged Commodities Rules, 2011 and applicable State Rules.
25. Explosives Act, 1884, and Gas Cylinder Rule, 2004.
26. Petroleum Act, 1934, and Petroleum Rules, 2002.
27. Electricity Act, 2003, and Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010.
28. Energy Conservation Act, 2001.
29. Income Tax Act, 1961, Central Goods and Services Tax Act, 2017; State Acts governing Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder.
30. Environment (Protection) Act, 1986, and Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, Noise Pollution (Regulation and Control) Rules 2000, Environment (Protection) Rules, 1986, The E-waste (Management) Rules, 2022 ,

- Bio-Medical Waste Management Rules, 2016, Battery Waste Management Rules, 2022 .
31. Air (Prevention and Control of Pollution) Act, 1981, and Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983 and applicable State Rules.
32. Water (Prevention and Control of Pollution) Act, 1974, and Water (Prevention and Control of Pollution) Rules, 1975, and applicable State Rules.
33. Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.
34. Maharashtra Municipal Corporations, 1949.
35. Plastic Waste Management Rules, 2016.
36. Any other Central and State Acts and Rules made thereunder, as may be applicable.

Annexure 3A to Board's Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Blue Star Climatech Limited
Floor-4, Plot-171/172, Kasturi Building,
Jamshedji Tata Road, Churchgate,
Mumbai, Maharashtra 400020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Blue Star Climatech Limited (hereinafter called 'the Company')**. The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 ('the Act') and the Rules and Amendment(s) made there under (to the extent notified);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under (Not applicable to the Company during audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not applicable to the Company during audit period);

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings; (Not applicable to the Company during audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during audit period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

- Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
 - (vi) There are no other laws specifically applicable to the industry to which the Company belongs, as identified by the management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities of the Company are not listed on any Stock Exchange hence no comment is made about Listing Agreements not entered into by the Company with Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings and Agenda and detailed Notes

on Agenda were sent in accordance with Companies Act, 2013 and the rules made thereunder, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not passed any special/ordinary resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

Place: Thane
Date: April 23, 2025

UDIN: F004650G000140929
PR NO: 762/2020

Note : This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.

'Annexure -I'

To,
The Members,
Blue Star Climatech Limited
Floor-4, Plot-171/172, Kasturi Building,
Jamshedji Tata Road, Churchgate,
Mumbai, Maharashtra 400020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ashish Bhatt & Associates

Ashish Bhatt

Practicing Company Secretary
FCS No: 4650
C.P. No. 2956
UDIN: F004650G000140929
PR NO: 762/2020

Place: Thane
Date: April 23, 2025

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance refers to the manner in which a corporation is governed, directed and managed. Corporate governance essentially involves the balancing of interests of all stakeholders, such as shareholders, Board of Directors, management team, employees, customers, suppliers, bankers, government, and the community. Sound corporate governance practices rest on the basic principles of transparency, accountability, integrity, reliability, independence, and security. Corporate governance facilitates effective, entrepreneurial and prudent management which can deliver sustainable business results over a long term. Good corporate governance creates an in-built mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

Blue Star continuously strives to adopt and implement best-in-class governance practices. Responsible corporate conduct is integral to the way the Company does its business, referred to within the organisation as the "Blue Star Way". All actions by Blue Star employees and partners are governed by the Company's values and principles, which are reinforced at all levels within the entire eco system. The Company's governance framework enjoins all Blue Starites to follow the highest standards of ethical and responsible conduct of business, so as to create value for all stakeholders. The Company firmly believes that, for its continued success, the organisation must consistently adhere to the highest standards of corporate behaviour towards every stakeholder and the society at large. Over the years, Blue Star has strengthened its governance practices, and it is the endeavour of the Company to achieve best-in-class governance standards, benchmarked globally. Blue Star's governance practices and ethical conduct have also received recognition and acknowledgement from independent professional bodies.

VISION, CREDO, VALUES AND BELIEFS

Blue Star has consistently followed the principles of good corporate governance through transparency, accountability, fair dealings, and the promotion of mutual trust. The Company's Values and Beliefs have become a

way of life within the organisation, and each employee is responsible for adherence to the Values of the Company.

It is Blue Star's commitment to do business with integrity, honesty and fairness. With a view to achieve this, the Company has defined its Vision, Credo, Values and Beliefs as follows:

Vision: "To dream, to strive, to care and, above all, to be the best in everything we do."

Credo: "I am Blue Star. I take pride in delivering a world-class customer experience."

Values and Beliefs:

- 
- Be a company that is a pleasure to do business with.
 - Win our people's hearts and minds.
 - Continuously improve shareholder value.
 - Give primacy to meritocracy and professional management.
 - Place the Company's interest above one's own.
 - Conduct business with personal integrity and ethics.
 - Treat business partners as respected members of the organisation.
 - Encourage learning, experimentation and innovation in whatever is done.
 - Ensure high standards of corporate governance.
 - Work in a boundary-less manner between various functions to provide the best solutions to customers.
 - Be a good corporate citizen.

The Company confirms compliance to the corporate governance practices as enshrined in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations'), details whereof for the financial year ended March 31, 2025, are as set out hereunder:

BOARD OF DIRECTORS

The Board of Directors is the primary stakeholder influencing the standards of, and practices relating to, corporate governance. An active, well-informed and independent board safeguards and maintains sound corporate governance across all the functions. The Board oversees how the management safeguards the interests of all stakeholders. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board of Directors provides a long-term vision and policy approach which improves the quality of governance. It sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustainable profitable growth.

COMPOSITION OF THE BOARD

The Company has a balanced and diverse Board. The Company's Board has an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act').

As on March 31, 2025, the Board comprised twelve Directors. Out of the twelve, six (i.e. 50 percent) were Independent Directors, three (i.e. 25 percent) were Non-Executive Non-Independent Directors and three (i.e. 25 percent) were Executive Directors. The Board comprised two women Directors, one Independent Director and one Non-Executive Non-Independent Director.

During the year, Ponnada Venkata Rao (P V Rao), was appointed as an Additional Director designated as

Executive Director - Projects, Solutions & International by the Board on the recommendations of the Nomination and Remuneration Committee with effect from August 7, 2024 and subsequently, by the Members of the Company vide special resolution passed through postal ballot on September 25, 2024 as an Executive Director – Projects, Solutions & International for a period commencing from August 7, 2024 to July 31, 2028, liable to retire by rotation.

The Chairman presides over the meetings of the Board and of the Shareholders of the Company. He leads the Board and ensures effective communication among the Directors. He is responsible for guiding implementation of all the initiatives relating to corporate governance. He ensures effectiveness of the Board and its Committees and guides in the evaluation of the performance of individual directors and the Board in fulfilling their roles and responsibilities.

The Executive Directors assume overall responsibility for strategic management of the business and corporate functions including oversight of governance processes and ensuring top management's operating effectiveness. They act as a link between the Board and the Management of the Company and are responsible for managing and reviewing the roles and responsibilities of other executive officials including the Business Heads, Group Chief Financial Officer, Company Secretary & Compliance Officer, and other Senior Management Personnel.

The Non-Executive Directors/Independent Directors play a critical role in providing balance to the Board processes with their independent judgment on issues involving strategy, performance, market dynamics, resources, and overall governance, besides providing the Board with valuable inputs based on their professional expertise.

The Company's Board comprises eminent professionals having sound knowledge, and relevant expertise and experience, in the areas of finance, legal, advertising, sales, marketing, technology, human resources, and general business management. The Company has established systems and procedures to ensure that the Board of Directors are kept well informed and well equipped to fulfill their overall responsibilities and to provide management with the strategic direction needed to create long-term shareholder value.

The composition of the Board of Directors and the number of directorships and committee positions held by them in the Company and other companies as on March 31, 2025, are as under:

Name of Director	Category/Designation	Particulars of Directorships, Committee Memberships/Chairmanships as on March 31, 2025			
		Directorships ¹	Number of Directorship(s) held in public listed companies	Committee Memberships ²	Committee Chairmanships ²
Vir S Advani	Chairman & Managing Director	3	1	0	0
B Thiagarajan	Managing Director	3	1	1	0
P V Rao*	Executive Director – Projects, Solutions & International	2	1	0	0
Sam Balsara	Independent Director	1	1	0	0
Anil Harish	Independent Director	6	4	8	4
Rajiv R Lulla	Non-Executive Director	1	1	1	0
G Murlidhar	Independent Director	2	1	2	0
Sunaina Murthy	Non-Executive Director	2	1	1	0
Anita Ramachandran	Independent Director	9	7	9	2
Arvind K Singhal	Independent Director	3	2	4	1
Vipin Sondhi	Independent Director	4	3	2	2
Dinesh N Vaswani	Non-Executive Director	1	1	0	0

¹ Directorships held by the Directors as mentioned above consist of Directorships held in public limited companies but excludes directorships held in private limited companies, foreign companies and companies registered under section 8 of the Act.

² In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees, namely Audit Committee and Stakeholders' Relationship Committee, have been considered. Committee memberships include Chairmanships.

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

None of the Directors is a Director on the Board of more than 20 companies, including 10 public limited companies or acts as an Independent Director in more than 7 listed companies. Further, none of the Directors is a member in more than 10 committees nor is a chairperson/chairman of more than 5 committees, amongst the companies mentioned above. Also, none of the Independent Directors of the Company is a Whole-time Director of any listed company.

Except Vir S Advani and Sunaina Murthy, who are related, none of the Directors is a relative of the other, as defined under the Act. Details of listed entity(ies) in which the Directors hold directorship(s) as on March 31, 2025, are as follows:

Name of Director	Name of Listed Entity(ies)	Category
Vir S Advani	- Blue Star Limited	Executive Promoter Director
B Thiagarajan	- Blue Star Limited	Executive Director
P V Rao*	- Blue Star Limited	Executive Director
Sam Balsara	- Blue Star Limited	Independent Director
Anil Harish	- Blue Star Limited - Hinduja Global Solutions Limited - Oberoi Realty Limited	Independent Director
Rajiv R Lulla	- Blue Star Limited	Independent Director
G Murlidhar	- Blue Star Limited	Independent Director
Sunaina Murthy	- Blue Star Limited	Non-Executive Promoter Director

Name of Director	Name of Listed Entity(ies)	Category
Anita Ramachandran	- Blue Star Limited - FSN E-Commerce Ventures Limited - Ujjivan Small Finance Bank Limited - Happiest Minds Technologies Limited - Grasim Industries Limited - Aditya Birla Sunlife AMC Limited - Ultratech Cement Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director
Arvind K Singhal	- Blue Star Limited - Metro Brands Limited	Independent Director Independent Director
Vipin Sondhi	- Blue Star Limited - Triveni Turbine Limited - DCM Shriram Limited	Independent Director Independent Director Independent Director
Dinesh N Vaswani	- Blue Star Limited	Non-Executive Promoter Director

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

CORE SKILLS REQUIRED IN THE CONTEXT OF COMPANY'S BUSINESS

The Company inducts distinguished individuals with expertise across diverse fields as Directors on its Board. Members with high levels of integrity, appropriate qualifications, skills and expertise, and with the ability to contribute to the growth of the Company get nominated for this role.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company:

	Strategy & Business Planning	Comprehend the socio-economic, political, legal, regulatory and competitive environment in which the Company is operating and provide insights to identify the risks, threats and opportunities for the Company's businesses
	Financial Acumen	Analyse the Company's financial and operating performance and provide oversight of capital allocation and returns
	Human Capital	Support management to develop policies to identify and retain the best talent; to develop people at all levels and make them future-ready; and to institutionalise succession planning for critical positions
	Governance	Monitor/guide statutory and regulatory compliance, contribute towards setting and upholding the highest standards of ethics, integrity and organizational conduct; Understand the key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation
	Stakeholder Value Creation	Enable shareholder value creation while ensuring interventions that create a positive and sustainable impact on society

All these skills are adequately available with the Board members.

In the table below, the primary/dominant area(s) of expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not mean that the member does not possess the corresponding qualification or skill.

Name of Director	Area of Expertise				
	Strategy & Business Planning	Financial Acumen	Human Capital	Governance	Stakeholder Value Creation
Vir S Advani	✓	✓	✓	✓	✓
B Thiagarajan	✓	✓	✓	✓	✓
P V Rao*	✓	✓	✓	✓	✓
Sam Balsara	✓	✓	✓	✓	✓
Anil Harish	✓	✓	✓	✓	✓
Rajiv R Lulla	✓	✓	✓	✓	✓
G Murlidhar	✓	✓	✓	✓	✓
Sunaina Murthy	✓	✓	✓	✓	✓
Anita Ramachandran	✓	✓	✓	✓	✓
Arvind K Singhal	✓	✓	✓	✓	✓
Vipin Sondhi	✓	✓	✓	✓	✓
Dinesh N Vaswani	✓	✓	✓	✓	✓

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

CONFIRMATION ON INDEPENDENCE OF DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations and have registered themselves with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014. In the opinion of the Board, the Independent Directors fulfill the said criteria and are independent of the Management.

DETAILS OF RESIGNATION OF INDEPENDENT DIRECTOR

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate from M/s N L Bhatia & Associates, Practicing Company Secretaries, the Secretarial Auditor of the Company for FY25, has been issued, confirming that

none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a director by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs or any such statutory authority.

The certificate is appended as an Annexure to this report.

BOARD MEETINGS

A minimum of four Board Meetings are held each year to review the quarterly financial results and operating performance of the Company. Apart from this, additional Board Meetings are convened to address specific needs of the Company, as and when necessary.

There could be instances where it may not be possible for each of the Directors to be physically present at all the meetings. In such cases, video conferencing facilities are provided to enable their participation.

The agenda and agenda notes are circulated to all the Directors well in advance. All the agenda items are backed by agenda notes and relevant supporting papers to ensure adequate flow of information from the Management, and to enable the Directors to have focused discussions at the meeting and take informed decisions. All relevant information as mentioned in Part A of Schedule II of the Listing Regulations were tabled before the Board. Agenda

of the meetings and the supporting documents and information are circulated to the Directors on a Board meeting application through a secure IT platform, to ensure integrity and confidentiality of data.

Draft Minutes of the Board/Committee meetings are circulated to all the Directors for their inputs within 15 days of the meeting, and after incorporating comments so received from the Directors, if any the minutes are recorded and entered in the minutes book within 30 days from the date of conclusion of the meeting.

NUMBER OF MEETINGS HELD BY THE BOARD

During the financial year, the Board met five times. The meetings were held on May 2, 2024; August 6, 2024; November 6, 2024; January 29, 2025; and March 18, 2025. The gap between two consecutive Board meetings did not exceed 120 days.

The Company had convened its last Annual General Meeting on August 6, 2024.

Attendance of the Directors at the Board meetings and at the last Annual General Meeting is as under:

Name of Director	Category/Designation	Attendance	
		Board Meeting	Last AGM (Y/N/NA)
Vir S Advani	Chairman & Managing Director	5	Y
B Thiagarajan	Managing Director	5	Y
P V Rao*	Executive Director – Projects, Solutions & International	3	NA
Sam Balsara	Independent Director	5	Y
Anil Harish	Independent Director	5	Y
Rajiv R Lulla	Non-Executive Director	5	Y
G Murlidhar	Independent Director	5	Y
Sunaina Murthy	Non-Executive Director	5	Y
Anita Ramachandran	Independent Director	5	Y
Arvind K Singhal	Independent Director	5	Y
Vipin Sondhi	Independent Director	5	Y
Dinesh N Vaswani	Non-Executive Director	5	Y

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

FAMILIARISATION OF INDEPENDENT DIRECTORS

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities. The Company's management makes business presentations periodically at the Board meetings to familiarise Independent Directors with the strategy, operations and functioning of the Company.

Such presentations help them to understand Blue Star's strategy, competitive landscape, business model, operations, service, and product offerings, markets, organisation structure, finance, human resources, technology, quality, facilities and risk management, and

such other areas as may be relevant for their familiarisation from time to time. These interactions provide them with a holistic perspective of the Company's business and regulatory framework. A structured induction programme for new Directors is also organised, where they get to meet and interact with all senior leaders of business divisions and functions to obtain an in-depth understanding of the Company's business. Field and factory visits are also organised for the new Directors to gain hands-on understanding and knowledge of the business operations.

The details of familiarisation programmes imparted to the Independent Directors are available on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/56472/familiarization-programme-for-independent-directors.pdf>

PERFORMANCE EVALUATION

The Board carries out an annual performance evaluation comprising review of the performance of the Directors individually as well as the evaluation of the working of the entire Board and its Committees. The performance evaluation criteria for the Board as a whole, its Committees and Individual Directors are determined by the Nomination and Remuneration Committee and Board of Directors based on which a structured questionnaire is prepared and sent to the Directors.

The evaluation of Board's functioning is assessed on aspects such as structure and composition of the Board/ Committee, quality of Board processes, Board culture and dynamics, Board's role in setting vision/strategic direction and effectiveness in carrying out its role as expected by all the stakeholders. Similar aspects are drawn for evaluation of Committee's functioning.

The performance of the Chairman of the Board is evaluated on parameters such as level of engagement and contribution, ability to encourage frank and free discussions among Board members, relationships with Board members and guidance in case of complex issues.

The factors on which evaluation of Individual Directors is carried out include: (i) qualifications, experience, understanding and knowledge of business and sector, (ii) availability and attendance at meetings, (iii) openness in debating complex issues and aiding decision making, voicing opinion freely, exercising own judgment, (iv) adding value to the strategic direction, (v) ensuring integrity, regulatory compliance and controls as required, (vi) level of preparedness, engagement and participation at various meetings, (vii) guidance and support to the leadership team as required, (viii) ability to function as a team member, actively taking initiatives in various areas, commitment to the Board and the Company, (ix) keeping shareholder's and other stakeholder's interests in mind while voicing views and making recommendations, (x) expressing independent views, and judgments freely (xi) commitment to Board and its meetings, agenda items and relevant issues covered in Board Meetings (xii) engagement and encouraging free and frank discussions by Members, impartial in conduct of discussions & in dealing with dissent (xiii) guidance and coordinating discussions on complex issues effectively for decision making (xiv) relationships with Board members, Committee

Chairman and Leadership Team, displays leadership and professionalism, open-minded, decisive, courteous and (xv) overall effectiveness as Chairman of the Board.

In accordance with provisions of the Act and the Listing Regulations, a meeting of the Independent Directors of the Company was also held on March 26, 2025, to discuss the following for FY25:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Board, taking into account the views of Executive Directors and Non-Executive Directors; and
- Quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The outcome of the evaluation was presented to the Board along with the course of actions proposed to be taken up for implementing the above observations.

CODE OF CONDUCT

While operating in a competitive and demanding market, the Company had published a comprehensive Code of Conduct for its Board members, employees of the Company, its subsidiaries and affiliate/joint venture companies that requires strict adherence to its corporate values while delivering a world-class customer experience. The Company makes conscious efforts to align its employees and business partners with the Blue Star Code of Conduct. During the year, the Company conducted e-learning courses to acquaint the employees about the applicability of the Code of Conduct in the normal course of their working. All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2025. A declaration to the effect, confirming the same and signed by the Chairman & Managing Director of the Company, forms part of this Report. In addition, adherence to the Code of Conduct has also been made applicable to the business partners, viz., dealers, distributors, vendors, and service providers.

The Company's Code of Conduct is available on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>

CORPORATE SAFETY POLICY

The Company firmly believes that the safety of its employees and all the stakeholders associated with the Company's project sites, manufacturing facilities, customer premises, and office locations is of utmost importance. Safety is an essential and integral part of the Company's work activities. The Company believes that incidents or accidents and risk to health are preventable through active involvement of all the stakeholders, thereby creating a safe and accident free workplace. Accordingly, health and safety awareness programmes and safety audits are conducted regularly. Safety protocols have been documented and get shared across the organisation regularly.

COMMITTEES OF THE BOARD

The Committees of the Board include the Audit Committee, Nomination and Remuneration Committee, Investor Grievance cum Stakeholders' Relationship Committee, Corporate Social Responsibility and Environmental, Social and Governance Committee, Risk Management Committee, Executive Management Committee and Share Transfer Committee. These Committees assist the Board in discharging its specific functions in which more focused and extensive discussions are required.

The role, composition and other details of the aforesaid Committees are given below:

A. AUDIT COMMITTEE

The Audit Committee of the Company oversees the financial reporting process of the Company. The powers and role of the Audit Committee are in accordance with the Listing Regulations and the Act. The Audit Committee is governed by the terms of reference which are in line with the regulatory requirements of the Act and the Listing Regulations.

As on March 31, 2025, the Committee comprised four directors:

- Anil Harish, Chairman, Independent Director
- B Thiagarajan, Managing Director
- G Murlidhar, Independent Director
(appointed as member of the Committee w.e.f. May 2, 2024)
- Arvind K Singhal, Independent Director

Throughout the year, the composition of the Committee was in line with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

MEETINGS HELD BY THE AUDIT COMMITTEE

During the financial year, this Committee met five times. The meetings were held on May 1, 2024; August 5, 2024; November 5, 2024; January 28, 2025; and March 17, 2025.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Anil Harish	5
B Thiagarajan	5
G Murlidhar	4
Arvind K Singhal	5

The gap between two consecutive meetings did not exceed 120 days.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

TERMS OF REFERENCE

A. Financial reporting and financial reporting processes, internal controls:

1. Oversee the Company's financial reporting process, its overall internal controls and the disclosure of its financial information submitted to the stock exchanges, regulatory authorities or the public, and ensure that the financial statements are correct, sufficient and credible.
2. Oversee the Company's internal control framework, its adequacy and appropriateness across business processes.
3. Review with the Management, annual financial statements and the Auditors' Report thereon, before submission to the Board for approval, with particular reference to
 - a) Matters required to be included in the Directors' Responsibility Statement to be made part of the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Act.
 - b) Changes, if any, in the accounting policies and reasons for the same.
 - c) Major accounting entries based on exercise of judgment by the Management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.

- e) Compliance with listing and other legal requirements concerning financial statements.
- f) Disclosures in financial statements, including related party transactions.
- g) Modified opinion(s) in the draft Audit Report, if any.
4. Review any accounting adjustments that were noted or proposed by the statutory auditors but were not passed (as immaterial or otherwise).
5. Review with the Management quarterly financial statements before submission to the Board for approval.
6. Review with the Management, statement of use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public issue or rights issue, and make appropriate recommendations to the Board to take steps in the matter whenever such fund raising happens.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit processes.
8. Approve or any subsequent modification of transactions of the Company with the related parties.
9. Scrutinise inter-corporate loans and investments.
10. Conduct valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluate internal financial controls and risk management systems.
12. Review with the Management the performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Review the adequacy of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
14. Discuss with internal auditors any significant findings and follow up thereon.
15. Review the findings of any internal investigations by the internal auditors in the matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
16. Discuss with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
17. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, stakeholders (in case of non-payment of declared dividends) and creditors.
18. Approve appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
19. Review the functioning of the whistle blower mechanism.
20. Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. Review of information:

1. Review of the Management Discussion and Analysis of the financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor or a professional firm of internal auditors.
5. Statement of deviations:
 - a) Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

- b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, in terms of Regulation 32(7) of the Listing Regulations.

C. Statutory audit:

1. Recommend to the Board, the appointment, reappointment, terms of appointment, and if required, the replacement or removal of the statutory auditors and cost auditors after considering and reviewing their independence and effectiveness, and recommend the audit fees.
2. Give approval for making all payments to the statutory auditors for any other services rendered by them.
3. Annually review and discuss with the statutory auditors, all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence.
4. Review performance of the statutory auditors.
5. Review and discuss the scope of the statutory auditors' annual audit.
6. Review management letters and any significant findings and recommendations issued by the statutory auditors, together with the management's response thereto.
7. Following the completion of the annual audit, review with the statutory auditors on any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
8. Meet at least once in a year separately with the statutory auditors to discuss any matters that the Committee or the statutory auditors believe should be discussed separately.
9. Review the annual Cost Audit Report submitted by the Cost Auditors.

D. Internal audit:

1. Review the internal audit plan and recommend changes, for the approval of the Board.
2. Approve appointment, removal and terms of remuneration of the Chief Internal Auditor or a professional firm selected to manage internal audit deliverables.
3. Consider and approve, in consultation with the Statutory Auditors and the Internal Auditors, the

annual scope and plan of the Company's internal audit and any significant changes thereto.

4. Review with the Internal Auditors and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts, and the effective use of audit resources.
5. Review any significant findings and recommendations of Internal Audit, together with the management's responses thereto.
6. Review the findings of any internal investigations by the Internal Auditors in matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature, and report the matters to the Board.
7. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
8. Meet at least once a year separately with the Internal Auditors, to discuss any matters that the Committee or the Chief Internal Auditor/ engagement partner at the internal audit firm believes should be discussed separately.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for devising criteria for determining qualifications, attributes and independence of the Directors. It is also responsible for identifying persons to be appointed at Senior Management levels as well as devising remuneration policy for the Directors, Key Managerial Personnel and Senior Management Personnel.

As on March 31, 2025, the Committee comprised three directors:

- Sam Balsara, Chairman, Independent Director
- Anita Ramachandran, Independent Director
- Dinesh N Vaswani, Non-Executive Director

Throughout the year, the composition of the Committee was in accordance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

MEETINGS HELD BY THE NOMINATION AND REMUNERATION COMMITTEE

During the financial year, the Committee met four times. The meetings were held on April 24, 2024; August 1, 2024; October 21, 2024; and January 28, 2025.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Sam Balsara	4
Anita Ramachandran	4
Dinesh N Vaswani	4

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

TERMS OF REFERENCE

1. Inter alia recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board, commensurate with the size, nature of the business and operations of the Company.
2. Establish criteria for selection to the Board, with respect to the competencies, qualifications, experience, track record, integrity and gender, and to establish Directors' retirement policies and appropriate succession plans, and determine overall compensation policies of the Company.
3. Monitor/administer the Company's Employee Stock Option Schemes formulated from time to time, and take appropriate decisions in terms of the concerned Scheme(s) and such other matters as may be required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
4. Review market practices and formulate a remuneration policy, and within the framework of the said policy:
 - a) Recommend to the Board, a remuneration package applicable to the Key Managerial Personnel and Senior Management comprising the working directors and the leadership team.
 - b) Recommend to the Board for its approval, performance parameters for them, review the same from time to time and thereafter, recommend the above to the Board for its approval.

5. Recommend to the Board, all remuneration, in whatever form, payable to the Key Managerial Personnel and Senior Management Personnel.
6. Such other matters as may be required under the Act and Listing Regulations.

REMUNERATION OF DIRECTORS

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and Employee Stock Options & performance-linked incentives (variable components) to its Executive Directors. Based on their performance and the performance of the Company, annual increments are decided by the Nomination and Remuneration Committee, within the limits approved by the members of the Company and ceilings prescribed under the Act, which is then recommended to the Board for its approval. Services of the Executive Directors may be terminated by either party, giving the other party six months' notice. There is no separate provision for payment of any severance fees. The performance linked incentives are subject to achievement of performance criteria which inter alia includes revenue and profit target, strategic KRAs and such other criteria as may be approved by the Nomination and Remuneration Committee and Board.

In accordance with the approval of the Shareholders and provisions of the Act, the Non-Executive Directors are paid, in addition to sitting fees, a commission not exceeding 1% of the net profits of the Company. The remuneration structure and criteria for determining performance-based compensation are provided in the Nomination and Remuneration Policy.

Apart from the above and the reimbursement of expenses incurred in discharge of their duties, and the remuneration that a Non-Executive Director may receive for professional services rendered to the Company through a firm/Company in which they are partner/director, none of the Non-Executive Directors have any pecuniary relationship or transaction with the Company, Subsidiaries, Promoters or Directors.

During the financial year, none of the Non-Executive Directors had received remuneration exceeding 50% of the total remuneration paid to the Non-Executive Directors. The annual remuneration of Executive Directors was within the limits approved by the members by way of special resolutions dated August 6, 2020 and September 25, 2024.

The Nomination and Remuneration Policy is available on the website of the Company under the web link at: <https://www.bluestarindia.com/media/217800/blue-star-nrc-policy.pdf>

The details of amount paid/provided towards Directors' remuneration are as follows:

Name	Salary	Retirals	Perquisites	Commission	Performance Linked Incentive	Sitting Fees	(₹ in lakhs)
							Total
Vir S Advani	176.31	56.08	352.61	-	1,129.15	-	1,714.15
B Thiagarajan	176.31	56.08	352.61	-	799.15	-	1,384.15
P V Rao*	60.47	25.28	120.92	-	200.00	-	406.67
Sam Balsara	-	-	-	30.15	-	7.25	37.40
Anil Harish	-	-	-	30.15	-	9.00	39.15
Rajiv R Lulla	-	-	-	30.15	-	5.75	35.90
G Murlidhar	-	-	-	30.15	-	7.25	37.40
Sunaina Murthy	-	-	-	30.15	-	5.75	35.90
Anita Ramachandran	-	-	-	30.15	-	8.25	38.40
Arvind K Singhal	-	-	-	30.15	-	9.00	39.15
Vipin Sondhi	-	-	-	30.15	-	4.25	34.40
Dinesh N Vaswani	-	-	-	30.15	-	6.75	36.90

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

Notes:

1. The Executive Directors does not receive sitting fees for attending meetings of the Board/Committees of the Board of the Company.
2. **Employee Stock Options:** During the year, the Company has granted 80,660 Stock Options to the eligible employees at an exercise price of ₹ 2 per Stock Option under the Blue Star Employee Stock Option Scheme 2024. Options granted will vest in four instalments of 25% each on expiry of 12 months, 24 months, 36 months and 48 months from the date of Grant, respectively, subject to achievement of the performance criteria. The Stock Options are exercisable within a period of seven (7) years from the date of Grant.

Out of the total Stock Options granted, B Thiagarajan was granted 21,356 Stock Options at an exercise price of ₹ 2 each out of which 5,339 Stock Options at an exercise price of ₹ 2 each shall vest in October, 2025 on achievement of the performance criteria for FY25.

P V Rao was granted 6,530 Stock Options at an exercise price of ₹ 2 each out of which 1,632 Stock Options at an exercise price of ₹ 2 each shall vest in October, 2025 on achievement of the performance criteria for FY25.

No Stock Options were granted to Vir S Advani, being Executive Promoter Director.

DIRECTOR SHAREHOLDING IN THE COMPANY

AS ON MARCH 31, 2025

Name of Director	No. of Shares	Percentage (%)
Vir S Advani	22,12,550	1.08
B Thiagarajan	67,506	0.03
P V Rao*	4,102	0.00
Sam Balsara	21,132	0.01
Anil Harish	-	-
Rajiv R Lulla	-	-
G Murlidhar	-	-
Sunaina Murthy	21,45,050	1.04
Anita Ramachandran	-	-
Arvind K Singhal	-	-
Vipin Sondhi	-	-
Dinesh N Vaswani	53,888	0.03
Total	45,04,228	2.19

* P V Rao was appointed as an Executive Director – Projects, Solutions & International of the Company with effect from August 7, 2024, liable to retire by rotation.

C. INVESTOR GRIEVANCE CUM STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Investor Grievance cum Stakeholders' Relationship Committee specifically looks into the redressal of investors' complaints relating to investor service requests, non-receipt of annual reports, non-receipt of declared dividends, and other investor related matters. Additionally, the Committee also looks into matters which facilitate investors' relations.

As on March 31, 2025, the Committee comprised three directors:

- Arvind K Singhal, Chairman, Independent Director
- Rajiv R Lulla, Non-Executive Director
- Sunaina Murthy, Non-Executive Director

Throughout the year, the composition of the Committee was in accordance with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

MEETINGS HELD BY THE INVESTOR GRIEVANCE CUM STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year, the Committee met twice. The meetings were held on August 12, 2024, and March 28, 2025.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Arvind K Singhal	2
Rajiv R Lulla	2
Sunaina Murthy	2

The Chairman of the Committee was present at the last Annual General Meeting.

TERMS OF REFERENCE

1. Resolve the grievances of the security holders of the Company (including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings).
2. Review measures taken for effective exercise of voting rights by the shareholders.
3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent (RTA).

4. Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Review and monitor the timely transfer of the unclaimed dividend and equity shares to the Investor Education and Protection Fund (IEPF) pursuant to the relevant statutory provisions.
6. Review the Company's share price movements in relation to the benchmarks and monitor material share trading transactions undertaken by Institutional Investors involving the Company's shares.
7. Review Analysts' recommendations on the Company's stock, ensure that the management regularly holds meetings with the Fund Managers and Analysts and major concerns reported by the Fund Managers and Analysts are reviewed.
8. Review resolution of shareholders complaints.
9. Monitor investor's relations initiatives and provide an update to the Board on a half yearly basis about various activities and measures undertaken by the Company.
10. Review the outcome and response arising from various press clippings, press conference, TV interviews and formal media interaction from time to time.
11. Review adequacy of the Committee charter and recommend changes to the Board from time to time.

INVESTORS' COMPLAINTS

During the year under review, the Company received 26 complaints and all the complaints were resolved to the satisfaction of the shareholders. There were no complaints pending for resolution as on March 31, 2025. The complaints received from the investors were mainly pertaining to non-receipt of dividend, non-receipt of bonus shares and duplicate share certificates, etc.

Complaints or queries relating to the shares can be raised to the Company's Registrar and Share Transfer Agents ('RTA') – M/s MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited), at <https://swayam.in.mpms.mufg.com/> or https://web.in.mpms.mufg.com/helpdesk/Service_Request.html. In view of increase in the correspondence, RTA has increased their investor interface strength (telephone and counter departments) and have taken other steps for rendering speedy and satisfactory services to the shareholders at Tel: +91 810 811 6767.

COMPLIANCE OFFICER

Rajesh Parte
Company Secretary & Compliance Officer
Tel: 022 6654 4000
Email: investorrelations@bluestarindia.com

D. CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE ('CSR & ESG COMMITTEE')

The CSR & ESG Committee has been constituted in accordance with the requirements of Section 135 of the Act. The Committee recommends the CSR projects to be undertaken by the Company and also monitors its implementation status.

As on March 31, 2025, the Committee comprised three directors:

- B Thiagarajan, Chairman, Managing Director
- Sunaina Murthy, Non-Executive Director
- Anita Ramachandran, Independent Director

MEETINGS HELD BY THE CSR & ESG COMMITTEE

During the financial year, the Committee met twice. The meetings were held on April 24, 2024, and September 3, 2024.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
B Thiagarajan	2
Sunaina Murthy	2
Anita Ramachandran	2

TERMS OF REFERENCE

1. Formulate and recommend to the Board a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Monitor the CSR Policy of the Company from time to time.

4. Monitor the execution of sustainability strategy including Net Zero mission.
5. Oversee communication of sustainability activities with stakeholders.
6. Provide input to the Board and other Board Committees on ESG matters.
7. Approving the Business Responsibility and Sustainability Report.

The detailed CSR Report, which forms a part of the Board's Report, may be referred to, for further information on CSR.

E. RISK MANAGEMENT COMMITTEE

The Company has a robust risk management framework to identify, monitor and mitigate applicable risks. The Company has a comprehensive Risk Management Policy which is periodically reviewed by the Risk Management Committee.

As on March 31, 2025, the Committee comprised four directors:

- Vir S Advani, Chairman, Managing Director
- B Thiagarajan, Managing Director
- Anil Harish, Independent Director
- Rajiv R Lulla, Non-Executive Director

Throughout the year, the composition of the Committee was in line with the requirements of Regulation 21 of the Listing Regulations.

MEETINGS HELD BY THE RISK MANAGEMENT COMMITTEE

During the financial year, the Committee met twice. The meeting was held on June 4, 2024 and December 3, 2024.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Vir S Advani	2
B Thiagarajan	2
Anil Harish	2
Rajiv R Lulla	2

The gap between two consecutive meetings did not exceed 210 days.

TERMS OF REFERENCE

1. Review the risk management plan of the Company.
2. Formulate a detailed risk management policy of the Company.
3. Ensure that risk management and governance is integrated with the Company's strategic objectives and facilitates performance management as prescribed under the COSO 2017 Enterprise Risk Management framework.
4. Ensure that the risk management framework encourages business leaders to identify potential opportunities to grow the business.
5. Ensure dissemination of pervasive risk awareness culture and the presence of appropriate two-way communication mechanism for transparency and identification of risks and opportunities.
6. Review and approve the risk management policy and associated frameworks, processes and practices of the Company.
7. Ensure that the Company undertakes appropriate measures to achieve prudent balance between risk and opportunities in both ongoing and new business activities.
8. Assist the Board in effective operation of the risk management systems by performing specialised analyses and quality reviews.
9. Ensure that the Company has a robust compliance framework, review compliance reports and ensure appropriate measures for compliance adherence.
10. Maintain an aggregated view on the risk profile of the Company and its underlying business segments.
11. Periodically review cyber security risk and its related mitigation plan.
12. Report to the Board details on the risk exposures and actions taken to manage the exposures.
13. Advise the Board with regard to risk management decisions in relation to the strategic and operational

matters, such as corporate strategy, mergers and acquisitions, and related matters.

14. Make regular reports to the Audit Committee and Board on risk assessment and mitigation strategies adopted by the Company.
15. Review annually its role, performance and risk management charter, structure and processes.
16. Undertake such other assignments as may be mandated by the Board or Listing Regulations from time to time.

F. EXECUTIVE MANAGEMENT COMMITTEE

The Board of Directors has constituted an Executive Management Committee and delegated the powers to approve matters relating to availing of financial facilities pertaining to borrowings and investments, and to undertake/execute other operational and administrative matters of the Company.

As on March 31, 2025, the Committee comprised three directors:

- Vir S Advani, Chairman, Managing Director
- B Thiagarajan, Managing Director
- P V Rao, Executive Director – Projects, Solutions & International
(appointed as member of the Committee w.e.f. November 6, 2024)

During the financial year, the Committee met six times. The meetings were held on May 3, 2024; June 4, 2024; August 6, 2024; September 24, 2024; November 6, 2024; and December 24, 2024.

The attendance of the Committee members is given below:

Name of the Member	No. of meetings attended
Vir S Advani	5
B Thiagarajan	6
P V Rao	2

G. SHARE TRANSFER COMMITTEE



The Share Transfer Committee is empowered to make allotment of any kind of shares that may be issued by the Company from time to time and providing authorisations to execute investor service requests.

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

- Vir S Advani, Chairman, Managing Director
- B Thiagarajan, Managing Director

During the financial year, there were no Committee Meetings held.

H. DEBENTURE COMMITTEE



Pursuant to approval of Board of Directors, the Debenture Committee was dissolved w.e.f. August 6, 2024.

SENIOR MANAGEMENT PERSONNEL

As per the Regulation 16(1)(d) of Listing Regulations, the Senior Management Personnel of the Company as on March 31, 2025 are as below:

Sr. No.	Name	Designation	Changes during the year
1	Senthil Balasubramanian	Group President - Manufacturing	Appointed with effect from July 1, 2024
2	Mohit Sud	Group President - Unitary Cooling Products	Appointed with effect from March 31, 2025
3	Nikhil Sohoni	Group Chief Financial Officer	-
4	Arun Rajan	Group Chief Human Resources Officer	Appointed with effect from February 17, 2025
5	V S Ashok	Executive Vice President - Customer Experience & ESG	Change of role from Chief Human Resources Officer to Executive Vice President - Customer Experience & ESG with effect from March 1, 2025

Sr. No.	Name	Designation	Changes during the year
6	Rajesh Parte	Company Secretary & Compliance Officer	-

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS AND CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has a code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders and code of fair disclosure of unpublished price sensitive information for its Designated Persons and the code is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ('Insider Trading Regulations'). The same is disclosed on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/6013/code-of-conduct-insider-trading.pdf>

Further, in accordance with the Insider Trading Regulations, the Company has formulated a written policy and procedures for inquiry in case of any leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI, to initiate appropriate inquiries on becoming aware of leak or suspected leak of UPSI and inform to Stock Exchanges promptly of such leaks, inquiries and results of such inquiries. This policy is adopted and also disclosed on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/236290/policy-on-procedure-of-inquiry-in-case-of-leak-of-unpublished-price-sensitive-information.pdf>

As required under the Insider Trading Regulations, the Company has maintained a Structured Digital Database capturing the details of the Designated Persons and the UPSI shared by them for legitimate purposes. The Company also has online tracking mechanism for monitoring the trades in the Company's securities by the Designated Persons and their relatives to ensure detection and taking appropriate action, in case of any violation/non-compliance of the Company's Code of Conduct on Insider Trading.

SUBSIDIARY COMPANIES

Blue Star Engineering & Electronics Limited, Blue Star Climatech Limited, Blue Star Qatar W.L.L, Blue Star International FZCO, Blue Star MEA Airconditioning LLC (formerly known as Blue Star Systems and Solutions LLC), BSL AC&R (Singapore) Pte. Ltd, Blue Star North America Inc., Blue Star Europe B.V., Blue Star Innovation Japan LLC and Blue Star Air Conditioning & Refrigeration (U) Limited are the ten subsidiaries of the Company. During the financial year, Blue Star Climatech Limited was unlisted material subsidiary of the Company as per Regulation 16 and Regulation 24 of the Listing Regulations and accordingly, Vipin Sondhi who is an Independent Director of the Company was appointed as an Independent Director on the Board of Blue Star Climatech Limited for a term commencing from May 2, 2024 upto January 29, 2029.

The financial performance, minutes of board meetings of the subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board of Directors of the Company.

Blue Star Climatech Limited was incorporated under the Companies Act, 2013 on May 17, 2021, with the Registrar of Companies, Maharashtra at Mumbai. Its registered office is located at 4th floor, Kasturi Building, Mohan T. Advani Chowk, Jamshedji Tata Road, Mumbai 400 020, Maharashtra, India. Blue Star Climatech Limited is manufacturer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products. This company has a state-of-the-art manufacturing facility at Sri City, Andhra Pradesh and the commercial production commenced in January, 2023. This automated and smart factory is equipped with the latest automation techniques and tools for its assembly line and material handling, amongst others, as well as has extensively deployed a slew of initiatives towards IoT and digitisation. M/s Deloitte Haskins & Sells LLP were appointed as the Statutory Auditors of Blue Star Climatech Limited on July 28, 2022 for a period of 5 years.

In accordance with the Listing Regulations, the Company has in place a policy on determining material subsidiaries and the same has been disclosed on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/6017/policy-for-determining-material-subsidiaries-26022019.pdf>

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties during the financial year, as defined under the Act and Listing Regulations, were in the ordinary course of business and at an arm's length pricing basis. The requisite approvals of the Audit Committee and Board members, as applicable, are taken from time to time. There were no material transactions with related parties during the financial year, which were in conflict with the interests of the Company. The details of transactions with related parties are given in note no. 38 to the standalone financial statements for the year ended March 31, 2025. There were no materially significant related party transactions, which are likely to have potential conflict with the interests of the Company at large. The Company has in line with the requirements of the Listing Regulations formulated a Policy on Related Party Transactions ('RPTs') and also on dealing with RPTs. The said policy also defines the term 'material modifications' of RPTs and the same is disclosed on the website of the Company under the weblink at: <https://www.bluestarindia.com/media/78799/policy-for-transaction-with-related-parties.pdf>

COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company has Commodity Risk Management ('CRM') Policy which provides guidelines to manage risks associated with Commodity Exposure. The Company has also laid out a well-defined foreign currency risk management policy which ensures proactive and regular monitoring and managing of foreign currency exposures undertaken in the normal course of the Company's business operations. The foreign currency risk management policy of the Company defines limits for uncovered exposures, management of portfolio level currency risk exposure and also the criteria for determining stop loss action triggers. The Company uses foreign exchange forward and options contracts to hedge forex exposures. The hedging strategy is to gear towards managing currency fluctuation risk within predefined risk appetites, while complying with the applicable guidelines, rules, regulations and other statutory compliances. The Company does not use foreign exchange forward and options contracts for trading or speculative purposes. Forward and options contracts are fair valued at each reporting date. The resultant gain or loss from these transactions is recognised in the Statement of Profit and Loss.

The Company mitigates commodity price risk by entering into appropriate rate contracts with major suppliers which factors in price commitments for a time period by the suppliers. This approach provides sufficient mitigation against volatility in commodity rates. Disclosure pursuant to SEBI circular dated November 15, 2018, is as below:

Commodity Name	Exposure (₹ in crores)	Exposure in quantity (MT)	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper	783	8,723	-	-	10.03	-	10.03
Aluminium	226	6,562	-	-	3.05	-	3.05

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

During the year, the Company had received two complaints of which one complaint was disposed of and one complaint which was pending as on March 31, 2025 was resolved after the close of financial year.

OTHER DISCLOSURES

1. The Company has complied with the requirements of regulatory authorities on capital markets, and no penalties/strictures have been imposed on/against it by the stock exchanges, SEBI or any statutory authority during the last three years.
2. The Company has complied with all the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of Listing Regulations. The Company has also complied with the discretionary requirements such as ensuring financial statements with unmodified audit opinion and reporting of internal auditor directly to the Audit Committee.
3. The Company has followed all relevant Indian Accounting Standards while preparing the Financial Statements.
4. Pursuant to the formulation of a Whistle Blower Policy by the Company, a mechanism has been provided to all the employees, Directors and other Stakeholders of the Company to enable them to report on any frauds/irregularities by way of complaints. The Whistle Blower Policy provides direct access to the Chairman of the Audit Committee in exceptional cases and no person was denied access to the Audit Committee.
5. During the year 2023-24, the Company had raised funds through issue of equity shares via Qualified Institutional Placement (QIP) to Qualified Institutional Buyers for an aggregate amount of ₹ 1,000 crores. During the year under review, the Company has fully utilized the funds raised through QIP and the Company affirms that there has been no deviation or variation in the utilisation of issue proceeds.
6. During the financial year, the Company has listed its Commercial Papers on National Stock Exchange of India Ltd as required under the applicable regulations.
7. There are no agreements impacting management or control of the Company or imposing any restriction or create any liability upon the Company which require disclosure under Clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

Type of services	(₹ in crores)	
	March 31, 2024	March 31, 2025
Audit fees (including limited review)	2.81	2.80
Tax audit	0.13	0.19
Reimbursement of expenses	0.08	0.15
Other Certification Fees	0.58	0.77
Certification fees for QIP related work*	2.06	-
Total	5.66	3.91

*Adjusted through Security Premium of the Company.

10. Disclosure by the Company and its subsidiaries of 'loans and advances' in the nature of loans to firms/companies in which Directors are interested by name and amount:

Details of Loans and Advances				
Name of Director	Name of Entity in which Interested (by virtue of Directorship therein)	Nature of Loan & Advance	Balances as on March 31, 2025 (in ₹)	Maximum outstanding during the year (in ₹)
Vir S Advani B Thiagarajan P V Rao Vipin Sondhi	Blue Star Climatech Limited	Inter-Corporate Deposits placed by the Company	60,00,00,000	60,00,00,000
Vir S Advani B Thiagarajan Sunaina Murthy	Blue Star Engineering & Electronics Limited	Inter-Corporate Deposits placed with the Company	125,00,00,000	125,00,00,000
Vir S Advani B Thiagarajan P V Rao Sunaina Murthy Vipin Sondhi	Blue Star Engineering & Electronics Limited and Blue Star Climatech Limited	Inter-Corporate Deposits	80,00,00,000	80,00,00,000

CONFIRMATION BY THE BOARD OF DIRECTORS ON ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In accordance with the Listing Regulations, the Board of Directors confirms that during the financial year, it has accepted all the recommendations received from its mandatory committees.

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24A of the Listing Regulations, the Company is required to obtain an Annual Secretarial Compliance Report from the Practicing Company Secretary for the financial year ended March 31, 2025, for all the applicable compliance as per the SEBI Regulations/Circulars/Guidelines issued thereunder. The Company has engaged M/s N L Bhatia & Associates, Practicing Company Secretaries, the Secretarial Auditor of the Company for FY25, for providing this certification. The Annual Secretarial Compliance Report is required to be submitted to the Stock Exchanges within 60 days from the end of the financial year.

ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held as under:

Financial Year 2021-22	
	August 4, 2022
	Video Conferencing/Other Audio Visual Means
	3:30 p.m.
	Appointment of Ms Anita Ramachandran (DIN: 00118188), as an Independent Director of the Company to hold office for a term of five consecutive years effective from June 13, 2022 to June 12, 2027
	Date
	Venue
	Time
	Details of Special Resolutions

Financial Year 2022-23	
	August 3, 2023
	Video Conferencing/Other Audio Visual Means
	3:30 p.m.
	None

Financial Year 2023-24	
	August 6, 2024
	Video Conferencing/Other Audio Visual Means
	3:30 p.m.
	None

POSTAL BALLOT

During the financial year 2024-25, special resolutions were passed through a Postal Ballot seeking members' approval. Details of these resolutions, along with their voting pattern, are provided below:

Postal Ballot No. 1

Date of Postal Ballot Notice: August 26, 2024

Cut-off Date: August 16, 2024

Voting Period: Tuesday, August 27, 2024 (9:00 hours IST) to Wednesday, September 25, 2024 (17:00 hours IST)

Date of Declaration of Result: September 25, 2024

Date of passing the Resolution: September 25, 2024

VOTING PATTERN

Particulars	Votes in Favour			Votes Against			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them	% of total no. of votes	No. of members voted	No. of votes cast by them
Special Resolutions:								
Approval of 'Blue Star Employees Stock Option Scheme 2024'	851	14,72,94,899	89.07	107	1,80,77,791	10.93	-	-
Approval of Blue Star Employees Stock Option Scheme 2024 for the Employees of Group Companies including Subsidiary(ies) and/ or Associate Company(ies) of the Company	840	14,71,70,306	88.99	117	1,82,02,383	11.01	-	-
Authorization to the Trust for Secondary Acquisition	861	14,72,99,676	89.07	97	1,80,73,533	10.93	-	-
Approval for provision of money by the Company to the Trust	851	14,73,47,907	89.10	105	1,80,23,573	10.90	-	-
Revision in the terms of Remuneration of Mr B Thiagarajan, Managing Director	862	14,89,83,100	90.09	96	1,63,91,247	9.91	-	-
Appointment of Mr Ponnada Venkata Rao as an Executive Director - Projects, Solutions & International	873	16,06,97,209	97.17	92	46,78,070	2.83	-	-

PROCEDURE FOR POSTAL BALLOT:

The Board of Directors had appointed Mr Bharat Upadhyay (Membership No. FCS 5436), and failing him Mr Bhaskar Upadhyay (Membership No. FCS 8663) of M/s N L Bhatia & Associates, Practicing Company Secretaries, as the Scrutiniser for conducting the postal ballot through the

Remote E-Voting process in a fair and transparent manner and following the provisions of the Companies Act, 2013 and the rules made thereunder.

In compliance with the provisions of Sections 108, 110, and other applicable provisions, if any, of the Act read with Rules 20 and 22 of the Companies (Management

and Administration) Rules, 2014 ("the Rules"), Regulation 44 of the Listing Regulations, read with General Circular Nos.14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, read with various circulars issued by the Ministry of Corporate Affairs (the "MCA Circulars") and any other applicable provisions, of the Act, rules, regulations, circulars, and notifications (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force), the Company had provided electronic voting (e-voting) facility to all its Shareholders.

Further in compliance with the requirements of MCA circulars, the Company had sent Postal Ballot Notices by email to only those Shareholders who have their

email addresses registered with Company/Depository Participants. The Postal Ballot Notices were sent by email to all those Shareholders whose names appeared in the Register of Members/List of Beneficial Owners received from NSDL and CDSL as on the cut-off dates mentioned in their respective notices.

The Company had also published notices in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notices to all the shareholders. Post-closing of voting period, the Scrutiniser submitted his reports and the Company declared/announced the results of Postal Ballot.

DETAILS OF UNCLAIMED SHARES IN TERMS OF REGULATION 39 OF THE LISTING REGULATIONS

In terms of Regulation 39(4) of the Listing Regulations the Company reports the following details in respect of equity shares transferred from the "Blue Star Limited – Unclaimed Suspense Account" during the year and the balance in the same at the beginning and at the end of the year:

Status of Unclaimed Suspense Account as on March 31, 2025 is given below:

Particulars	No. of shareholders	No. of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year i.e. April 1, 2024	1,691	11,33,238
Letter of confirmation transferred to unclaimed suspense account during the year ended March 31, 2025	1	1,585
Number of shareholders who approached the Company / Registrars and Transfer Agents (RTA) for transfer of shares from unclaimed suspense account during the year ended March 31, 2025	120	1,78,078
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended March 31, 2025	120	1,78,078
Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended March 31, 2025	-	-
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year i.e. as on March 31, 2025	1,572	9,56,745

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

MEANS OF COMMUNICATION

Financial Results: The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') which are also uploaded on the Company's website and are published in newspapers, namely the *The Economic Times*, *The Hindu Business Line* and *Mumbai Lakshdeep* along with the Quick Response code and the weblink where such financial results are available and can be accessed by the investors. During the year under review,

the Company has also sent the financial results every quarter to the Shareholders via e-mail.

Investor/Analyst Meet: The Company frequently holds meetings with institutional investors and analysts after declaration of the results; details of the same are also available on the website. In addition, investor interactions by way of quarterly earnings concalls and various investor conferences are also organised throughout the year.

Press/News Release: Official Press/news release by the Company is filed with the stock exchanges and also hosted

on the Company's website: <https://www.bluestarindia.com/media/press-releases>

Website: The Company's website provides a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Shareholders can access the details of the Board, the Committees, Policies, financial information, statutory filings, shareholding information, details of unclaimed dividend and shares transferred/liable to be transferred to IEPF, etc. In addition, various downloadable forms required to be executed by the Shareholders have also been provided on the website of the Company.

Annual Report: The information regarding the performance of the Company is shared with the shareholders vide Annual Report. The Annual Report for FY25 is being sent in electronic mode, to all Shareholders who have registered their email ids for the purpose of receiving documents/ communication in electronic mode with the Company and/ or Depository Participants. Additionally, in accordance with Regulation

36(1)(b) of the Listing Regulations, a letter is also being sent to the Members whose e-mail IDs are not registered with Company/RTA/DPs providing the weblink and path of Company's website from where the Annual Report for the financial year 2024-25 including the Notice of this AGM can be accessed. The Annual Reports are also available in the "Investors" section on the Company's website at <https://www.bluestarindia.com/investors/annual-report>

Electronic Communication: The Company had during FY25 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company/ Depositories. In support of the 'Green Initiative' the Company encourages Shareholders to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, without any delay. All agenda papers for the Board and Committee meetings are disseminated electronically, by uploading them on a secured online application.

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING:

Date	:	August 6, 2025
Time	:	3:30 p.m.
Venue	:	No physical meeting is required to be held as per the General Circular nos. 14/2020, 17/2020, 20/2020 and 09/2024 issued by MCA, the meeting will be held through Video Conferencing/Other Audio Visual Means.
Financial Year	:	April 1, 2024 to March 31, 2025

FINANCIAL CALENDAR (PROVISIONAL):

Unaudited results for the quarter ending June 30, 2025	:	August, 2025
Unaudited results for the quarter ending September 30, 2025	:	November, 2025
Unaudited results for the quarter ending December 31, 2025	:	January, 2026
Audited results for the year ending March 31, 2026	:	May, 2026
Record Date	:	July 18, 2025
Dividend Payment Date (if declared)	:	on or after August 6, 2025
Listing on Stock Exchanges	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Listing fees as applicable have been paid.

Stock Code	: BSE Limited – 500067 National Stock Exchange of India Ltd – BLUESTARCO
NSDL/CDSL – ISIN	: Equity - INE472A01039
Credit Rating obtained during the year	: Over the years, the Company has built robust relationships with a group of banks who have supported its growth. The Company regularly interacts with its bankers to update them about its financial performance and support required for growth. The Company has been prompt in servicing all its obligations and its covenants around lines of credit and borrowings. The Company's Commercial Paper has been rated 'A1+' by CARE and CRISIL. The Company's long-term rating is AA+ (Outlook: Stable) and its short-term facilities have been rated A1+.

REGISTRAR & TRANSFER AGENT

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
C-101, 1st Floor C Tower,
247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 8108116767
Toll-free No.: 1800 1020 878
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

SHARE TRANSFER SYSTEM AND INVESTOR GRIEVANCE

Share Transfer System

The Company's shares are traded in the Stock Exchanges in the demat mode. These transfers are effected through NSDL and CDSL.

All transmission or transposition of securities are conducted in accordance with the provisions of Listing Regulations, read together with relevant SEBI Circulars.

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI has mandated all the listed companies to issue securities in dematerialised form only, while processing the service requests for issue of duplicate securities certificates, renewal/ exchange of securities certificates, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Shareholders are advised to dematerialize the shares held by them in physical form. Shareholders can contact the Company or the Company's RTA, for assistance in this regard. Also, share transactions in electronic form can be effected in a much simpler and faster manner. Shareholders should communicate with the RTA, quoting their folio number or Depository Participant ID ('DPID') and Client ID number, for any queries on their securities holding. The necessary forms for the above requests are available on the website of the Company at www.bluestarindia.com. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Investor Grievance System

The Company has outlined an escalation matrix for unresolved investor grievances, ensuring that Shareholders know whom to contact at different levels within the Company. The matrix is available on the website of the Company at <https://www.bluestarindia.com/investors/shareholder-information>. This aims to educate

Shareholders about their rights, responsibilities, and the procedures to be followed for various service requests, ensuring they are well-informed and can effectively manage their investments.

SCORES: A centralised web based complaints redressal system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaints and its current status.

Dispute Resolution Mechanism (SMART Online Dispute Resolution [ODR]) :

SEBI has issued a Standard Operating Procedure ('SOP') for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/ investor(s). Further, SEBI has also introduced a mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute. Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

UNCLAIMED DIVIDENDS

In accordance with the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Rules, 2016, the Company shall transfer the dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the IEPF. In order to protect the rights of the Shareholders, the Company has sent periodical reminders to the Shareholders, to claim their unclaimed dividends/shares in order to avoid transfer of such unclaimed dividends/shares to IEPF. Once the unclaimed dividends/shares are transferred to the IEPF, Shareholders will not be able to claim the same from the Company. However, pursuant to the aforesaid provision, the Shareholders can claim their unclaimed dividends/shares transferred to IEPF, by making an online application to the IEPF Authority through Form IEPF-5 available on the website of the Authority www.iepf.gov.in.

The Company has appointed Rajesh Parte, Company Secretary & Compliance Officer as a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company under the weblink at: <https://www.bluestarindia.com/investors/shareholder-information>

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

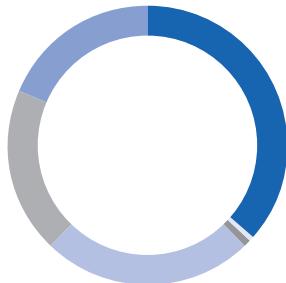
During the year under review, the Company has credited ₹ 63,57,862.50 as unpaid dividend, for the financial year 2016-17, lying in the unclaimed/unpaid dividend account to the IEPF.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025*

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders (%)	Total No. of Shares held	Percentage of Shares held (%)
1 – 5000	1,30,902	98.68	1,52,11,268	7.40
5001 – 10000	750	0.57	53,74,778	2.61
10001 - 20000	414	0.31	56,95,009	2.77
20001 - 30000	142	0.11	35,11,597	1.71
30001 - 40000	82	0.06	28,94,406	1.41
40001 - 50000	54	0.04	24,74,257	1.20
50001 - 100000	111	0.08	80,36,836	3.91
100001 and above	197	0.15	16,24,16,637	78.99
TOTAL	1,32,652	100	20,56,14,788	100

*The distribution of shareholding given above is reported on individual folio basis.

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2025



36.47%	Promoter & Promoter Group
0.73%	Others
0.85%	Other Body Corporate
24.28%	Institutions/ Banks/ Mutual Funds/ Trusts
19.19%	Foreign & Non Resident Indian
18.48%	Indian Public

DEMATERIALISATION OF SHARES & LIQUIDITY AND UPDATION OF KYC

As on March 31, 2025, 99.63% of the equity shares of the Company were held in dematerialised form and the rest in physical form. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into agreements with NSDL and CDSL whereby Shareholders have the option to dematerialise their shares with either of the Depositories. The shares are actively traded in BSE Limited and National Stock Exchange of India Ltd.

SEBI vide its various Circulars has mandated all listed entities to ensure that shareholders holding shares in physical form shall update their PAN, KYC, Nomination and

Bank account details (if not updated or provided earlier) through the Registrar & Share Transfer Agent.

Shareholders are requested to update these details by submitting the forms available on the Company's website at <https://www.bluestarindia.com/investors/shareholder-information> or the Company's RTA's website i.e. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited), through the weblink: <https://web.in.mpms.mufg.com/client-downloads.html>

Shareholders holding shares in dematerialized form are requested to intimate changes, if any in their address, e-mail id, bank account details etc. to their Depository Participant (DP).

PLANT LOCATIONS

Blue Star Limited
Village - Vasuri Khurd, Khanivali Road,
P O - Khupari
Taluka - Wada
Dist: Palghar 421 312

Blue Star Limited
Survey No. 265/2,
Demni Road,
U.T. of Dadra & Nagar Haveli,
Dadra 396 191

Blue Star Limited
501/3, 503/2,
Tajpur Road,
Sarkhej-Bavla Highway, Changodar
Ahmedabad 382 213

Blue Star Limited
Nahan Road,
Village Ogli, Kala Amb
Dist: Sirmour
Himachal Pradesh 173 030

Blue Star Limited
Nahan Road,
Rampur Jattan, Kala Amb
Dist: Sirmour
Himachal Pradesh 173 030

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis forms a part of this Annual Report.

MD/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, a certificate duly signed by the MD/CFO of the Company is appended as an Annexure to this Report.

AUDITOR'S CERTIFICATION

As required under Regulation 34 and Schedule V of the Listing Regulations, the certificate from M/s N L Bhatia & Associates, Practicing Company Secretaries, the Secretarial Auditor of the Company for FY25, affirming compliance of Corporate Governance as stipulated in the aforesaid Regulations is appended as an Annexure to this report.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

There are no outstanding convertible warrants/instruments.

ADDRESS FOR CORRESPONDENCE

Blue Star Limited
Band Box House
4th floor, 254 D
Dr Annie Besant Road
Worli, Mumbai 400 030, Maharashtra, India
CIN: L28920MH1949PLC006870
Website: www.bluestarindia.com
Email: investorrelations@bluestarindia.com

For and on behalf of the Board of Directors

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Date: May 7, 2025
Place: Mumbai

DECLARATION

As provided under Regulation 26(3) of the Listing Regulations, the Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the financial year ended March 31, 2025.

For **Blue Star Limited**

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Date : May 7, 2025
Place : Mumbai

Corporate Governance Certification

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation - 34(3) and Schedule - V Para - C clause - (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Blue Star Limited
Kasturi Building,
Jamshedji Tata Road,
Mumbai 400020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Blue Star Limited having CIN: L28920MH1949PLC006870** and having registered office at **Kasturi Buildings, Jamshedji Tata Road, Mumbai- 400020 (hereinafter referred to as "the Company")**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation - 34(3) read with Schedule V Para C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ended on March 31, 2025**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Vir S Advani	01571278	01/07/2010
2.	B Thiagarajan	01790498	13/05/2013
3.	Ponnada Venkata Rao	09177075	07/08/2024
4.	Sam Balsara	00076942	20/06/2017
5.	Anil Harish	00001685	22/11/2017
6.	Rajiv Lulla	06384402	01/12/2016
7.	G Murlidhar	03601196	30/01/2024
8.	Sunaina Murthy	07865860	01/04/2019
9.	Anita Ramachandran	00118188	13/06/2022
10.	Arvind K Singhal	00709084	05/02/2019
11.	Vipin Sondhi	00327400	30/01/2024
12.	Dinesh N Vaswani	00306990	01/12/2016

Ensuring the eligibility of the Directors for the Appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

Bharat Upadhyay
Partner
FCS: 5436
C.P. No. 4457
UDIN: F005436G000291920

Place : Mumbai
Date : May 7, 2025

Corporate Governance Certification

MD/CFO Certificate

To,

The Board of Directors

Blue Star Limited

Mumbai

We, Vir S Advani, Chairman & Managing Director, and Nikhil Sohoni, Group Chief Financial Officer, of Blue Star Limited ('the Company'), to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements of the Company for the year ended March 31, 2025, and:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
- b) There are no transactions entered into by the Company during the financial year 2024-25 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps that have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - i. Significant changes in the internal control over financial reporting during the year;
 - ii. Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Vir S Advani

Chairman & Managing Director
(DIN: 01571278)

Nikhil Sohoni

Group Chief Financial Officer

Place : May 7, 2025
Date : Mumbai

Corporate Governance Certification

To,
The Members,
Blue Star Limited

We have examined all the relevant records of Blue Star Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as prescribed under Regulation 17 to 27, clauses (b) to (i) of Sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') for the period from April 1, 2024 to March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our knowledge and according to the information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the aforesaid SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **M/s N. L. Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
Peer Review No.: 6392/2025

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436G000291887

Date: May 7, 2025
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

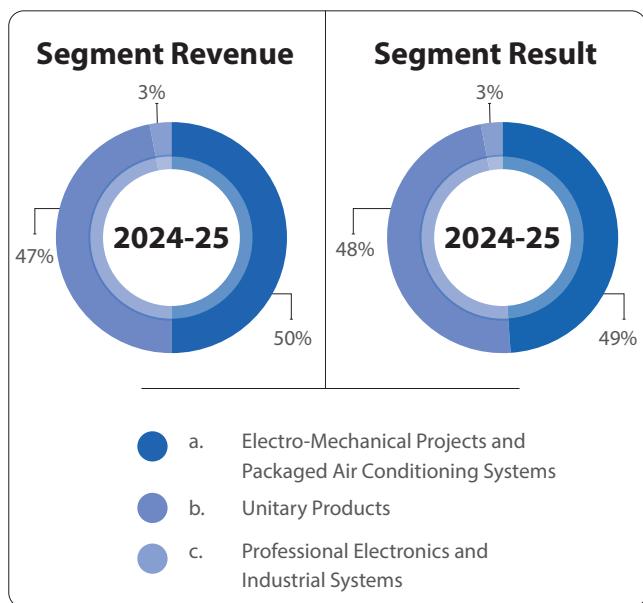
In the context of Blue Star's business operations and strategic proposition that are detailed in the Board's Report and Integrated Report, an in-depth analysis of the market environment, its operating businesses and financial performance are enumerated in the following sections.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Blue Star is a leading player in India's Air Conditioning and Refrigeration industry, as well as in the Mechanical, Electrical and Plumbing (MEP) and firefighting segment. An overview of the industry structure and prevailing market dynamics is provided in the Integrated Report (refer to the Industry Structures and Segments section on page no. 26).

SEGMENT-WISE ANALYSIS

The consolidated revenue and results break-up in terms of business segments for FY25 are as follows:



ELECTRO-MECHANICAL PROJECTS AND COMMERCIAL AIR CONDITIONING SYSTEMS

Electro-Mechanical Projects

In FY25, the Electro-Mechanical Projects business experienced a significant increase in enquiries and order finalisations. The division maintained a robust order flow across a broad range of sectors, including

factories, data centres, shopping malls, hospitals, railways, and office complexes. During the year, the business further strengthened its position in the data centre segment, securing a consistent stream of new and high-value repeat orders from satisfied existing clients. The Company anticipates continued growth in demand for data centres and remains committed to a selective and strategic approach to project bidding across other business segments.

Operational excellence remained a core priority, with notable marked improvements in project execution and delivery, despite headwinds arising from market volatility, increased competition, and other external challenges. The business responded with adaptive strategies, leveraging its core engineering expertise, robust project management capabilities, and advanced execution methodologies. The Company remained steadfast in its pursuit of best-in-class project management practices across all engagements. The leadership team continues to focus on driving sustainable growth and ensuring client satisfaction, which continues to be a cornerstone of the Company's success. Notable clients partnered with by the Electro-Mechanical Projects business during the year included ST Telemedia, Apollo Hospitals, Amazon Web Services, CapitaLand, Indian Railways, Carl Zeiss, and Michelin, amongst others.

Commercial Air Conditioning Systems

The Commercial Air Conditioning business reported growth in line with overall market trends, driven primarily by the demand from educational, hospitality, retail, and Government sectors. During the year, the business undertook several strategic initiatives including product repositioning, channel expansion, and entry into previously underrepresented markets. It successfully launched new products such as centrifugal chillers, data centre chillers, brine chillers, and VRF Lite. Additionally, it introduced a new range of scroll and screw chillers, compliant with Government norms effective July 1, 2024. To enhance brand visibility, the business actively participated in key industry events, including Design Conclave 2024 in

Mumbai, BW Hotelier Summit in Gurgaon, IID Event in Lucknow, and BW Healthcare Excellence Summit in Delhi. In recognition of performance of channel partners, the Star League Awards were hosted in Shillong, honouring top dealers across various categories.

The business also intensified its digital marketing efforts targeting the Variable Refrigerant Flow (VRF) residential, educational, and data centre segments. These initiatives significantly enhanced visibility for products such as VRF Lite, VRF V plus, and data centre chillers. The Company maintained its leadership position in the ducted air conditioning segment and ranked among the top three in both VRF and chiller categories. Market share stood at approximately 20% for VRF systems and screw chillers, and at around 50% and 45% for ducted systems and scroll chillers, respectively.

Notable orders during the year were secured from prestigious clients including AIIMS, Madurai; Vidhan Sabha, Raipur; KIIT, Bhubaneswar; Rail Vikas Nigam Limited, Vadodara; Lloyds Metals, Konsari; Chevron Hotels, Noida; Shiv Nadar School, Noida; Brigade Twin, Bengaluru; AL Softweb Greater, Noida; Vantara Zoo, Jamnagar; Birla Vidya Niketan, Delhi; Vayu Bhavan, Delhi; and YOTA Data Centre, Navi Mumbai, amongst others.

International Business Group

The Company continued to expand its global footprint in the Middle East and Africa through channel expansion and a stronger emphasis on Blue Star-manufactured applied products and systems such as ducted splits, VRFs, and chillers. Additional investments have been made to enhance service networks in the UAE with further expansion planned in the coming years to support the growing installed base in the region. Despite the global economic downturn, business activities in the Middle East remained resilient. Overall, the Company achieved a 5% growth across Middle East and Africa regions. However, the project business in Qatar experienced a decline following the conclusion of the FIFA World Cup, while the Malaysian joint venture faced a sluggish restart due to a slowdown in construction activity and delays in order finalisations amid challenging macroeconomic conditions.

In addition to the Company's focus on the Middle East and African markets, it is also working to establish itself as a CDM (Custom, Design & Manufacture) player for OEMs in the US and Europe for commercial air conditioning products. During the year, the Company has developed products for three OEMs, and following the completion of field trials, commercial shipments

have commenced. Although supplies have started, recent tariff-related uncertainties have delayed the original scaling-up plans. However, considering the level of enquiries received from OEMs in the US and Europe, the Company believes the long-term prospects for this business are strong.

This global ambition necessitates that the Company prioritises investment in R&D, product portfolio expansion, and brand building in select geographies.

UNITARY PRODUCTS

Room ACs

The Room Air Conditioners industry continued to perform strongly, supported by prolonged heatwaves across India and the increasing purchasing power of the expanding middle class. Demand remained buoyant, particularly in tiers 3, 4, and 5 markets, and was further fuelled by replacement purchases and those installing units in additional rooms. The Company sustained its growth momentum, with Q4 FY25 witnessing an exceptional uptick as channel partners stocked inventories in anticipation of a severe summer and potential supply chain disruptions.

In response to this demand, the Company launched a new range of ACs, including a premium flagship series covering all consumer segments and price points. This range featured energy-efficient 3-star and 5-star models, available across capacities from 0.8 TR to 4 TR, starting at an attractive price of ₹28990. Nearly 40 smart Wi-Fi AC models were introduced, offering advanced features such as customised sleep modes, voice command compatibility with Amazon Alexa and Google Home (in English and Hindi), and energy management tools to monitor and limit power consumption.

The new models also incorporated innovative technologies such as AI Pro+, a self-regulating system for optimal comfort, and Defrost Clean Technology, a three-stage cleaning process that enhances performance and extends product life. Additional features included Convertible 6-in-1 Cooling, Turbo Cool for rapid performance, Nano BluProtect and Hydrophilic Blue Fin coatings for corrosion resistance, precision temperature control in 0.5°C increments, DigiQ octa sensors for accuracy, wide-angle louvres for uniform airflow, and multi-layer filtration systems with HEPA, PM2.5, and anti-microbial capabilities. All inverter ACs are smart-ready, allowing for future smart upgrades, and designed to operate across a wide voltage range without stabilisers.

The flagship portfolio included Super Energy-Efficient ACs with dynamic drive technology achieving an ISEER of 6.25 — 64% more efficient than standard 3-star models, Heavy-Duty ACs capable of cooling in ambient temperatures of up to 56°C with a powerful 55-foot air throw, Hot & Cold ACs tailored for year-round comfort with specific models operating in sub-zero climates such as Srinagar, and ACs with Anti-Virus Technology that also function as air purifiers. Blue Star's ACs are widely recognised for their quality, reliability, and durability, with compelling after-sales offerings including a lifetime inverter compressor warranty, five-year PCB warranty, and easy financing options.

Since entering the residential AC segment in 2011, the Company has consistently outpaced industry growth and is targeting a market share of 15% in this segment by FY26. It has also strengthened its market position through targeted campaigns to drive ecommerce sales and by deploying in-store demonstrators in modern trade outlets. With its 'Gold Standard Service' programme, supported by over 2100 service centres and more than 150 service vehicles, Blue Star remains focused on delivering reliable and accessible customer service across the country.

Air Coolers

The Company introduced a new range of air coolers during FY25, featuring innovative cross-drift and dual-cool technologies to deliver faster and more effective cooling in harsh and dry summer conditions. The range offers best-in-class cooling efficiency and is available in various water tank capacities, from 10 to 150 litres, catering to diverse customer needs. To strengthen its presence in this category, the Company also expanded its distribution network by onboarding several new distributors, enabling deeper market penetration.

Commercial Refrigeration

Blue Star, with over eight decades of expertise, offers a comprehensive portfolio of commercial refrigeration solutions catering to sectors such as horticulture, dairy, ice cream, poultry, pharmaceuticals, and healthcare. Its product range includes deep freezers, storage water coolers, bottled water dispensers, visi coolers/freezers, cold rooms, and specialised kitchen and healthcare refrigeration equipment.

In FY25, regulatory changes in the first quarter temporarily impacted supply and profitability. However, the business regained momentum in the latter part of the year, driven by strong demand from fast-growing segments such as

ice cream, QSRs, HoReCa, quick commerce, food retail, and healthcare.

The Company launched an expansive new range of products for the summer of 2025, including energy-efficient deep freezers with cooling capabilities as low as -26°C, offered in capacities from 60 to 600 litres. These are designed for applications in dairy, ice cream, restaurants, and supermarkets. A new line of BIS-certified water coolers was introduced, suitable for schools, offices, and commercial spaces, featuring eco-friendly refrigerants and rapid cooling in capacities ranging from 15 to 120 litres.

Bottled water dispensers with hot, cold, and normal options include food-grade stainless steel tanks and a bottom-loading design for convenience. Visi coolers and freezers now offer uniform cooling with enhanced brand visibility through LED lighting and illuminated canopies, in sizes from 50 to 1200 litres. The Company also provides advanced cold rooms with integrated solutions using PUF-insulated panels, alongside kitchen refrigeration products such as reach-in chillers, blast freezers, and minibars. Specialised medical refrigeration solutions continue to support temperature-critical storage in healthcare. For supermarkets, multideck chillers and freezers with energy-saving night curtains and flexible shelving address a wide range of display needs.

The commercial refrigeration products are manufactured at the Company's state-of-the-art facilities in Wada and Ahmedabad, aligned with the 'Make in India, Make for the Globe' vision. Demonstrating its commitment to sustainability, the Company uses low-GWP refrigerants and eco-friendly insulation materials. Wada Plant, in particular, has been awarded a prestigious Platinum rating by the Indian Green Building Council.

Blue Star retained its leadership positions in the deep freezer, storage water cooler and modular cold room categories while recording notable growth across other segments. With a broad product portfolio, strong technological capabilities and a robust pan-India sales and service network, the Company continues to strengthen its position in the commercial refrigeration space and remains well-positioned for sustained growth.

PROFESSIONAL ELECTRONICS AND INDUSTRIAL SYSTEMS

The Professional Electronics and Industrial Systems (PEIS) business, managed by Blue Star Engineering & Electronics Limited, a wholly owned subsidiary of the Company, has been a trusted provider of

advanced professional electronic equipment, industrial systems, and services for over seven decades. Having transitioned from a traditional distribution model to that of a systems integrator and value-added reseller, the business has steadily moved up the value chain, enhancing its strategic relevance and customer value proposition. Organised across three focused verticals, namely MedTech Solutions, Data Security Solutions, and Industrial Solutions, the business continued to deliver stable performance in FY25 despite a dynamic and challenging external environment.

The Indian refurbished medical devices market is gaining momentum in Tier 3 and Tier 4 cities; however, the MedTech solutions business is currently facing headwinds in the import of pre-owned medical devices, where regulatory clarity is expected in the near term. Data Security Solutions continued to face headwinds with customers moving from on-premises IT infrastructure to the cloud. However, it continued to strengthen its positioning within the BFSI sector and among large enterprises undergoing digital transformation, although decision-making cycles remained prolonged. Industrial Solutions witnessed strong traction, supported by national priorities such as manufacturing self-reliance and infrastructure development, resulting in increased demand from sectors like automotive, aerospace, heavy engineering, power, and oil and gas. These tailwinds enabled the PEIS business to play a key role in enabling technology-led transformation across industrial and institutional ecosystems.

Key priorities included business development, brand-building, digital sales automation, service excellence and project execution, each contributing to improved competitiveness and supporting long-term, sustainable growth.

MEDIUM-TERM AND LONG-TERM STRATEGY

Strategic planning for the medium to long term, along with its execution and periodic review, remains integral to the Company's overall governance and growth framework. The Board continues to play a pivotal role in shaping and steering this strategy, ensuring alignment with the evolving business landscape. The Company actively monitors its internal strategic priorities in the context of a dynamic external environment, while also identifying and assessing key strategic risks and opportunities that may impact on the Company and its business (refer to Strategy Planning and Development in the Integrated Report on page no. 84).

FINANCIAL PERFORMANCE ANALYSIS

Following are the financial highlights of the Company for the year ended March 31, 2025, on a consolidated basis:

During the year, the Company performed remarkably well, reporting its highest ever revenue, profitability, and order book. Strong demand for air conditioning products and robust performance by the Projects business helped the Company maintain its growth momentum during the financial year.

Consolidated financial performance analysis is provided below:

1. INCOME

The Company posted record revenue during the year, driven by strong performance across major businesses. With robust demand across segments, Blue Star ended the year on a strong note, with Total Income for the year ended March 31, 2025 growing by 23.7% to ₹12042.65 crores, compared to ₹9732.78 crores in the previous year.

2. COST OF SALES, WORKBILLS AND SERVICES

The cost of sales, work bills and services during the year was ₹9074.34 crores compared to ₹7391.97 crores in the previous year. This cost declined to 75.8% of the Revenue from Operations compared to 76.3% in the previous year. Cost optimisation was driven by a combination of benign commodity prices, enhanced operational efficiencies and cost reduction initiatives.

3. EMPLOYEE REMUNERATION AND BENEFITS

Employee costs for the year at ₹918.87 crores increased by 22.6% compared to ₹749.48 crores in the previous year. The increase in headcount to support the scale and annual increments lead to this growth. However, Employee Cost as percent to Total Income was 7.6% in FY25 as compared to 7.7% for the year ended March 31, 2024.

4. OPERATING AND GENERAL EXPENSES

Operating and general expenses increased to ₹1098.52 crores from ₹878.97 crores in the previous year. The increase was largely on account of increased sales, general and administrative expenses, to support an increase in scale. As a percentage of Total Income, the Operating and General Expenses for the year were at 9.1% as compared to 9.0% in the previous year.

5. FINANCE COST

Finance cost for the year was at ₹48.80 crores compared to ₹58.08 crores in the previous year. The finance cost for the year decreased to 0.4% of the Total Income compared to 0.6% in the previous year. The Finance costs have reduced due to lower average borrowings, highlighting improved cash generation and more effective working capital management by the Company.

6. DEPRECIATION

Depreciation charge for the year increased to ₹128.37 crores compared to ₹97.61 crores in the previous year. This increase is mainly attributed to higher capitalisation during this year.

7. PROFIT BEFORE TAX

Profit before tax and exceptional items for FY25 increased by 38.6% to ₹772.42 crores compared to ₹557.16 crores in FY24. Profit before tax and exceptional items improved to 6.4% of the Total Income compared to 5.7% in the previous year, mainly driven by improvement in operating margin.

8. KEY FINANCIAL RATIOS

Sr. No.	KEY FINANCIAL RATIOS	UOM	FY24	FY25
1	Debtors Turnover Ratio	Times	5.5	6.1
2	Inventory Turnover Ratio	Times	5.2	5.1
3	Interest Coverage Ratio	Times	15.1	33.4
4	Current Ratio	Times	1.3	1.3
5	Debt Equity Ratio	Times	0.1	0.1
6	Operating Profit Margin	%	6.9	7.3
7	Net Profit Margin*	%	4.3	4.8
8	Return on Net Worth*	%	21.0	20.6

* Net Profit Margin and Net Worth ratios have been computed based on Profit After Tax (before exceptional items).

Explanation for variation of 25% or more in key financial ratios:

Interest Coverage Ratio: The ratio improved significantly to 33.4 times in FY25, compared to 15.1 times in the previous year. This improvement was primarily due to a reduction in finance costs, driven by lower average borrowings, along with enhanced profitability during the year.

Return on Net Worth (RONW): The RONW is marginally lower compared to previous year as the Company continues to focus on Capital Investments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust internal control system commensurate with the size, scale, and complexity of its operations. To further strengthen its control environment and governance standards, the Company has adopted the COSO 2013 framework, ensuring effective internal financial controls across operations, financial reporting, and regulatory compliance. Additionally, the internal audit function periodically reviews and reports to the Audit Committee on the effectiveness of internal controls, operational efficiency, and key process risks. During the year, as part of the Management's control testing initiative, these controls were rigorously evaluated and were found to be effective.

RISKS AND CONCERN

RISKS

The primary operating risks that could impact the Company include a slowdown in the construction, environmental, and investment cycles as well as seasonality in certain businesses such as air conditioners. Other risks involve intensified competition from both domestic and global players, volatile exchange rates, rising interest rates, credit risks, import dependence, procurement concentration, evolving regulatory norms and tariff/non-tariff barriers, fluctuating commodity prices, and changes in tax and other legislation. Additional concerns include inflation, particularly in fixed-price contracts, environmental, health and safety risks; exposure to fraud; inadequate cybersecurity; and rapid technological changes that may affect the Company's product portfolio. Furthermore, given current market dynamics, geopolitical developments present a significant business continuity risk, in addition to the broader impacts of a general slowdown in global and domestic economies.

Blue Star places strong emphasis on enterprise-level risk management and has implemented a robust system for risk identification, assessment, and mitigation, with stringent internal controls at both business-group and corporate levels, in line with the COSO 2017 Enterprise Risk Management Framework. Significant risks across the organisation are reviewed periodically by the Risk Management Committee. Mitigation plans are aligned with the Company's strategic objectives, performance management systems, and internal audit framework (refer to Risks and Mitigation Strategies covered in the Integrated Report on page no. 80).

CONCERNS

Global and domestic factors, such as geopolitical tensions, the use of tariff and non-tariff barriers to address trade imbalances, and price volatility in crude oil, commodities, currencies, and ocean freight, could impact consumer confidence and may disrupt supply chain. The Company remains vigilant and will continue to monitor macroeconomic and microeconomic trends, both globally and within India, taking appropriate measures to proactively address emerging challenges.

OPPORTUNITIES

The Company's demonstrated ability to innovate and deliver products and solutions that align with evolving market dynamics continues to present significant growth opportunities, even amid challenging conditions. These opportunities are related to the Company's product, projects, and service businesses across multiple sectors and are discussed in greater detail in the Integrated Report (refer Ample Opportunities section on page no. 88).

HUMAN RESOURCES

Through CHRO town halls, managers' meetings, and HR interactions with employees at all levels, Blue Star systematically gathers the Voice of the Employee, ensuring that queries are addressed promptly, and employee-focused initiatives are integrated into policies and processes. The 'Chai Pe Charcha' sessions for management staff provide a platform for open dialogue and collaboration in a relaxed environment. Additionally, HR help desks established across various locations effectively address employee inquiries related to payroll, facilities, and grievances, offering timely assistance.

Blue Star also believes that pursuing sports professionally lays a strong foundation for developing life skills and nurturing children's overall growth. The Award for Excellence in Sports, launched last year, continues to provide financial support to four deserving children of employees who are pursuing professional sports at national and state levels each year. At the manufacturing plants, daily production achievements are recognised and celebrated, boosting both individual and team morale. Factory visits for students and industry peers showcase Blue Star's manufacturing capabilities and enhance understanding of its products.

Blue Star has also established a Worker Facilitation Centre (WFC), aimed at equipping local workers near the

Wada Plant with information on legal and social security benefits, as well as facilitating access to Government services through targeted outreach programs. From December 2024 to March 2025, the WFC reached out to over 1750 workers, providing more than 300 services. This initiative has significantly benefited the local worker community and strengthened Blue Star's reputation among stakeholders.

Throughout the year, Blue Star organised a variety of employee engagement activities across its offices and factories, including annual picnics, sports days, family days, festive celebrations, and events for employees' children. Signature programs like 'Sparsh' and 'Kutumbh' connected blue-collar workers and their families at the plants, fostering a positive and inclusive work culture. These initiatives enhanced morale and work-life balance by encouraging personal interactions beyond the workplace, thereby improving collaboration and reinforcing a sense of belonging within the organisation. By involving employees' families, Blue Star demonstrated its commitment to holistic employee well-being, contributing to a more engaged workforce and supporting long-term retention. The Company had a total of 3,523 permanent employees on its rolls as of March 31, 2025.

CORPORATE OUTLOOK

FY25 was a landmark year for Blue Star, marked by outstanding revenue growth, record profitability, and broad-based performance across all business verticals. Each segment gained market share, reflecting strong execution, operational agility, and customer-centricity. The Company's strategy, anchored in reinforcing core businesses, investing for scale, driving innovation and sustainability and amplifying digitisation, has delivered tangible results and laid a solid foundation for future growth. Key growth drivers included robust demand in Commercial Air Conditioning, strong execution in Electro-Mechanical Projects, and continued momentum in Room AirConditioners and Commercial Refrigeration businesses.

Looking ahead, the Company is scaling with purpose by expanding its product portfolio, strengthening its supply chain, and investing in digitalisation, sustainability, and people capabilities. A deep commitment to customer experience, underpinned by digital tools and service excellence, remains central to this vision. At Blue Star, the focus is clear: to grow faster than the market, expand global relevance, and create long-term value by shaping a future-ready, resilient organisation poised for its next transformative decade.

The Dynamics of Blue Star's Growth

5 YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

		2024-25	2023-24	2022-23	2021-22	2020-21
OPERATING RESULTS						
Total Income *	₹ Crores	12,042.65	9,732.78	8,008.19	6,099.80	4,336.68
EBITDA (before exceptional items excluding other income & Finance income)	₹ Crores	875.92	664.94	492.78	346.47	239.81
Profit for the year after tax	₹ Crores	591.28	414.31	400.69	168.00	100.66
Dividend (Including corporate dividend tax)	₹ Crores	185.04	143.93	115.58	96.30	38.53
FINANCIAL POSITION						
Share Capital^	₹ Crores	41.12	41.12	19.26	19.26	19.26
Shareholders' Funds	₹ Crores	3,067.62	2,612.63	1,333.84	1,020.54	887.86
Net Borrowings / (Net cash balance)	₹ Crores	(640.35)	(455.93)	208.41	71.41	(149.30)
Net Capital Employed	₹ Crores	2,431.82	2,156.40	1,534.31	1,064.39	691.07
PERFORMANCE INDICATORS						
Revenue Growth	%	23.7	21.5	31.3	40.7	(20.0)
Gross Margin	%	24.2	23.7	22.5	21.9	23.2
EBITDA Margin (before exceptional items excluding other income & Finance income)	%	7.3	6.9	6.2	5.7	5.6
Earnings per Share^	₹	28.8	20.8	20.8	8.7	5.2
Dividend per Share^	₹	9.0	7.0	6.0	5.0	2.0
Book Value per Equity Share^	₹	149.2	127.1	64.9	49.6	43.2
Debt Equity Ratio (Net)	Ratio	NA	NA	0.16	0.07	NA
Capital Turnover Ratio	Ratio	5.2	5.2	6.1	6.9	5.5
Return on Shareholders' Funds**	%	20.6	21.0	23.0	17.9	11.9
Return on Capital Employed**	%	35.9	33.3	33.8	33.7	26.9
OTHER INFORMATION						
Number of Shareholders	Nos.	1,29,555	72,949	56,940	56,504	54,876
Number of Employees	Nos.	3,523	3,465	3,132	2,723	2,621

Note :

* Previous year figures have been regrouped wherever necessary to make them comparable with current year numbers.

** Ratios calculated basis PAT (before exceptional items) and average Capital Employed / Net worth for the year.

^ The Company has issued 1:1 bonus shares on June 20, 2023, to facilitate like-to-like comparison, ratios for previous years have been adjusted as per bonus ratio.

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L28920MH1949PLC006870
2. Name of the Listed Entity	Blue Star Limited
3. Year of incorporation	1949
4. Registered office address	Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400 020
5. Corporate address	Band Box House, Dr Annie Besant Road, Worli, Mumbai 400 030
6. E-mail	secretarialdesk@bluestarindia.com
7. Telephone	+91 22 6654 4000
8. Website	www.bluestarindia.com
9. Financial year for which reporting is being done	April 1, 2024, to March 31, 2025
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11. Paid-up Capital	₹ 41,12,29,576

12. Details of the person who may be contacted in case of any queries on the BRSR report.

S. No.	Name	Telephone	Email
1	Rajesh Parte - Company Secretary & Compliance Officer	+91 22 2265 4000	secretarialdesk@bluestarindia.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

14. Name of assurance provider	Intertek India Private Limited
15. Type of assurance obtained	Reasonable Assurance obtained on the BRSR Core

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing, trading and after-sales service	Cooling appliances, Cold storage products, Central air-conditioning projects, including manufacturing and after-sales service.	73.48
2	Project Execution and after-sales service	Electrical Mechanical and Plumbing Contracting business, and Packaged air-conditioning businesses including manufacturing and after-sales service.	26.52

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Electro-Mechanical Projects and Commercial Air Conditioning Systems	43219/43229	52
2	Unitary Products (room air conditioners, commercial refrigeration products and systems, water purifiers, air purifiers and air coolers)	28191/28192	48

III. Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	5	23	28
International	0	0	0*

*The wholly owned subsidiaries of Blue Star have 5 international offices.

19. Markets served by the entity**a. Number of locations**

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	49

b. What is the contribution of exports as a percentage of the total turnover of the entity?

4.53%

c. A brief on types of customers

Business segment	Type of customers
Electro-Mechanical Projects and Commercial Air Conditioning Systems	<p>Key customers for this segment comprise:</p> <ul style="list-style-type: none"> a) Infrastructure facilities such as airports, public utilities such as water distribution systems of the State Governments and mass transit systems including metro, railways. b) Commercial buildings such as large offices, industrial facilities including factories, malls, hotels, hospitals, shops, boutique showrooms etc. c) Data Centre Facilities.
Unitary Products	Room Air Conditioners business predominantly serves the residential segment while the commercial refrigeration products, storage water coolers and cold room solutions serve the commercial segment.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	3,187	2,854	89.55	333	10.45
2	Other than permanent (E)	1,435	1,357	94.56	78	5.44
3	Total Employees (D+E)	4,622	4,211	91.11	411	8.89
WORKERS						
4	Permanent (F)	386	371	96.11	15	3.89
5	Other than permanent (G)	2,681	2,600	96.98	81	3.02
6	Total Workers (F+G)	3,067	2,971	96.87	96	3.13

b. Differently abled Employees and Workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	3	3	100	0	0
2	Other than permanent (E)*	0	0	0	0	0
3	Total differently abled employees (D + E)	3	3	100	0	0
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0	0	0
5	Other than permanent (G)*	3	3	100	0	0
6	Total differently abled workers (F + G)	3	3	100	0	0

*Other than permanent workers includes workers on third-party roll and on contract at our manufacturing sites.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67
Key Management Personnel*	5	0	0

*Key Managerial Personnel includes two Managing Directors, one Executive Director, Group Chief Financial Officer and Company Secretary & Compliance Officer.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 25 (Turnover rate in current FY)			FY 24 (Turnover rate in previous FY)			FY 23 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
	Permanent Employees	16	14.33	15.82	18.05	16.91	17.93	18.49	23.53	18.94
	Permanent Workers	2.17	0	1.64	0.31	0	0.31	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
1	Blue Star Engineering & Electronics Limited	Subsidiary	100	No
2	Blue Star Climatech Limited	Subsidiary	100	No
3	Blue Star Qatar WLL*	Subsidiary	49	No
4	Blue Star International FZCO	Subsidiary	100	No
5	Blue Star MEA Airconditioning LLC (Formerly known as Blue Star Systems and Solutions LLC)**	Subsidiary	100	No
6	BSL AC&R (Singapore) Pte. Ltd.**	Subsidiary	100	No
7	Blue Star North America Inc.	Subsidiary	100	No
8	Blue Star Europe B.V.	Subsidiary	100	No
9	Blue Star Innovation Japan LLC	Subsidiary	100	No
10	Blue Star Air Conditioning & Refrigeration (U) Limited***	Subsidiary	100	No
11	Blue Star M&E Engineering Sdn Bhd****	Joint Venture	49	No
12	Blue Star Oman Electro-Mechanical Company LLC	Joint Venture	51	No

*It is a subsidiary of Blue Star Limited under Section 2(87)(i) of the Companies Act, 2013 as Blue Star controls the management of this Company.

**Held by Blue Star International FZCO, the wholly owned subsidiary of Blue Star Limited.

***99% held by Blue Star International FZCO and 1% held by Blue Star MEA Airconditioning LLC. (Formerly known as Blue Star Systems and Solutions LLC).

****Held by BSL AC&R (Singapore) Pte. Ltd.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (in Rs.)	113,257,470,944
(iii) Net worth (in Rs.)	28,540,047,782

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 25 Current Financial Year			FY 24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No*	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes https://www.bluestarindia.com/investors/shareholder-information	0	0	NA	0	0	NA
Shareholders	Yes** https://www.bluestarindia.com/media/343069/shareholder-inquiries-email.pdf	26	0	NA	17	0	NA
Employees and workers	Yes https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf	4	2	NA	3	1	NA
Customers	Yes https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf	23,61,154	1,536	NA	26,94,664	45,010	NA
Value chain partners	Yes https://consumer.bluestarindia.com/service-support	2	1	NA	2	0	NA
Other (please specify)	No	0	0	NA	0	0	NA

* The Plant head and HR head at Blue Star's manufacturing facilities engage with the communities located in the vicinity on an on-going basis. The implementing agencies appointed for undertaking CSR initiatives have their own grievance mechanism for the beneficiaries thereunder.

**The complaints received from shareholders pertain to non-receipt of shares, dividend, annual report, etc. and not under any specific principles of National Guidelines on Responsible Business Conduct.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk	As the global environmental crisis worsens, stricter regulations regarding the usage and emission of greenhouse gases from refrigerants and energy conservation may result in increased compliance costs for Blue Star. Failure to comply with these regulations and delays in responding to them could impede product sales and disrupt business operations.	<ul style="list-style-type: none"> • Attainment of manufacturing efficiency; • Be Green through Clean Energy; • Prevention of environmental pollution by complying with regulations; • Implementation of voluntary sustainability measures; and • Initiatives to conserve energy and optimise alternate source of energy. 	Negative
2	Climate Change	Opportunity	Climate change presents a chance to innovate smart engineering products that prioritise energy and resource efficiency, enhancing comfort in everyday living.	NA	Positive
3	Waste Management	Risk	Improper disposal of waste will lead to non-compliance of regulatory laws.	<p>Continuous monitoring of hazardous materials being used at workplace along with measures to reduce the same by adopting modern processes and technologies. Blue Star ensures that its products do not contain lead, mercury, cadmium or any such hazardous substances beyond the levels permitted by the country's environmental laws.</p> <p>Blue Star has obtained authorisation as a Producer under the E-Waste (Management) Rules, 2016 (EPR), to dispose off all e-waste generated during business operations on a pan-India basis through an arrangement with authorised e-waste recyclers and PROs (Producer Responsibility Organisations). Blue Star has been meeting its e-waste recycling target every year as per EPR authorisation.</p>	Negative
4	Product Stewardship	Opportunity	Maintenance of high level of product quality, safety, durability by minimising environmental and social impact. This will enhance product acceptability in the industry.	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Customer Centricity	Opportunity	Blue Star develops customer centric product for higher efficiency, quality, sustainability and safety. Ensuring sustainability and mitigating impact of climate change have always been important factors for Blue Star and Blue Star's products rate high on energy-efficiency standards. Blue Star's adoption of eco-friendly refrigerants has been ahead of the industry curve.	NA	Positive
6	Diversity & Inclusion	Opportunity	<p>Blue Star remains committed in its efforts towards having a diverse and inclusive workforce at Blue Star through multiple conscious initiatives.</p> <p>Blue Star will continue to focus its commitment to foster, cultivate and preserve a culture of equal opportunities in a conducive and inclusive work environment.</p> <p>This will further strengthen Blue Star's brand and enhance reputation.</p> <p>Note – Blue Star Climatech Limited a wholly owned subsidiary of Blue Star has females comprising 45% of its workforce.</p>	NA	Positive
7	Corporate Governance	Opportunity	Blue Star has always been ahead of the curve in its governance practices. Good Corporate Governance practices acts as an enabler to the Company towards sustainable profitable growth in long term.	NA	Positive
8	Sustainable Supply Chain	Risk	<p>Key components for manufacture of Blue Star's products such as compressors, aluminum, copper tubes, electronic parts and inverter drives are sourced from vendors in China and some other countries. Disruptions in supply caused due to ongoing geo-political scenarios, regulatory norms, imposition of non-tariff barriers etc, limits imports from China or any other countries may significantly impact Blue Star's ability to import, manufacture and sell.</p> <p>Increase in Customs Duty may also increase the cost of the components. There are also key component suppliers located either outside or within India on whom Blue Star has and may continue to have strategic dependency.</p> <p>Any disruption in the business operations of these suppliers may also impact Blue Star's ability to sell underlying products and equipment seamlessly.</p>	<p>Blue Star has a well-defined review mechanism to identify dependencies either on a single country or single vendor for the key components required for manufacture of its products.</p> <p>Blue Star, on an on-going basis, takes steps to diversify such procurements from alternative sources, long term strategic agreements and identify backward integration opportunities.</p> <p>Blue Star has also established a 'Supplier Excellence' programme under the ambit of which it provides suppliers with managerial and technical assistance for improvements in productivity, quality, cost, delivery and safety.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Health & Safety	Risk	Blue Star's human resources (including those of its extended arms such as sub-contractors, channel partners and associates) are exposed to health and safety risks in the normal course of business. Health and Safety hazards impacts lives and livelihood of the employees leading to employee injuries and illness, reduced productivity and escalation of associated costs, including damage to Blue Star's reputation.	Blue Star has in place a robust Environment, Health and Safety (EHS) framework driven by the Corporate Safety policy. Employees are trained in EHS practices through regular training programs, the effectiveness of which is tested through regular safety audits at project sites and mock drills at all the establishments. Blue Star has also obtained ISO 45001 certifications for four of its manufacturing facilities, and revamp and electrical facility management operating sites.	Negative
10	Business Continuity	Risk	Blue Star's operations may be significantly interrupted and its financial condition, cash flow and profitability could be affected by any of the following events: <ul style="list-style-type: none"> Prolonged market, supply chain, demand and operational disruptions caused by the spread of and/or continuation of pandemics or epidemics, including but not limited to COVID-19, resulting in full or partial shutdown of business or operating activities of Blue star in whole or some parts of India or in any of the global markets where Blue Star or any of its subsidiaries, associates or affiliated business entities have presence. The occurrence of natural disasters or accidents, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, or any other Act of God and/or man-made disasters. 	Blue Star has in place a robust Business Continuity Management Policy with well-defined Standard Operating Procedures stating recovery/ restoration objectives to keep its manufacturing and other critical processes operational and continue serving the needs of the customers.	Negative
11	Regulatory Compliances	Risk	Blue Star's products businesses are subject to changing technology, significant technological developments and adherence with a variety of regulatory compliances. Emphasis on usage of eco-friendly refrigerants and eco-friendly collection and disposal of e-wastes are some of specific requirements that Blue Star is required to adhere to. Non-compliance with the above could have a financial impact.	Blue Star is very agile and ensures complete adherence to regulatory compliances. It has built a strong compliance culture and an agile compliance management system and has also automated the compliance management process. It has adopted automated legal metrology label printing, in order to prevent non-compliance and prosecution. Besides, Blue Star has entered into a comprehensive agreement with its dealers.	Negative
12	Digitalisation	Opportunity	Digitisation helps to automate and streamline business processes which increases efficiency and accuracy. High level of digitisation integrated with business will enable businesses to promote, elevate and adapt to a culture of insights-based decision-making resulting in customer delight. This will ultimately lead into business transformation.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes / No)									Yes
b. Has the policy been approved by the Board? (Yes/No)									Yes
c. Web Link of the Policies, if available	https://www.bluestarindia.com/about-us/guiding-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)									Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)									Yes
4. Name of the national and international codes/ certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.					ISO 9001:2015; AHRI ISO 17025:2017 ISO 45001:2018				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Blue Star aims to become Net Zero for Scope 1 and Scope 2 by 2035. The Company has already implemented various green initiatives, including energy-efficient projects across its manufacturing facilities, to monitor and assess its carbon emissions. These efforts are aligned with Blue Star's defined goals and milestones, reinforcing its dedication to sustainability and environmental responsibility. As a part of the Net Zero Mission Blue Star has progressed well in reducing carbon footprint of factories and office establishments, and has commenced securing Offset through renewable power. New factories and office establishments are designed for Green Building Gold or Platinum rating.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Blue Star, we believe sustainability is a powerful driver of innovation and long-term success, not just a responsibility. Across our diverse operations in India, we recognize significant ESG challenges and opportunities. This understanding fuels our commitment to enhancing and amplifying our ESG performance. Our sustainability strategy is built on three core pillars: Environmental Stewardship, Empowering People and Society, and Responsible Governance. We are dedicated to minimizing our environmental footprint by increasing renewable energy, reducing waste through reuse and recycling, and innovating energy-efficient products. Our commitment extends to all stakeholders. We prioritize providing a safe and healthy working environment for our employees. Through our CSR initiatives, we uplift vulnerable communities, focusing on education and skill development. Consistent with this objective, we are supporting research at reputable institutions, including IIT Bombay, by funding a range of environmental and sustainability initiatives. For governance, we have integrated our ESG strategy with a top-down leadership approach. This ensures sustainability remains a core business priority, fostering accountability and transparency. Blue Star views sustainability as a continuous endeavour and hence it is proposed to become Net Zero at the Company level by 2035 for Scope 1 & 2. The sustained support of our stakeholders remains critical to fostering Blue Star's responsible and sustainable expansion in the future.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).			Vir S Advani, Chairman & Managing Director						
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes		B Thiagarajan, Managing Director						
			The Corporate Social Responsibility and Environmental, Social & Governance Committee is responsible for decision making on sustainability related issues.						
			The Committee comprises of the following members:						
			1. B Thiagarajan, Chairman						
			2. Anita Ramachandran						
			3. Sunaina Murthy						

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action										Yes								Quarterly
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										Yes								Quarterly

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No*	Yes**	Yes^	No*	No*	No*	No*	No*	Yes^^

*Blue Star has a robust internal review mechanism for its key policies. Efforts have been made to enhance management systems and the standards of performance so that they confirm the Blue Star's sustainability framework. The Internal Audit function of Blue Star has been outsourced to Grant Thornton. On a rotational basis, they do evaluate the policies adopted by Blue Star. Blue Star is also considering evaluation of policies by an external agency.

**TUV Nord conducted the ISO 9001:2015 certification audit and NABL conducted an assessment for ISO 17025:2017.

^TUV Nord conducted the ISO 45001:2018 certification audit.

^^TUV Nord conducted the ISO 9001:2015 certification audit.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									Not applicable
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE



PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%of persons in respective category covered by awareness programmes
Board of Directors	2	BRSR Principles	100
Key Managerial Personnel	4	POSH, Code of Conduct, BRSR Principles	100
Employees other than BoD and KMPs	173	POSH, Code of Conduct, Skill Upgradation	100
Workers	5	POSH, Code of Conduct, Health and Safety	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

NGRBC Principle P1P2P3P4P5P6P7P8P9	Monetary	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Compounding fee	NA		0		
Settlement	NA		0		
Penalty/Fine	NA		0		

NGRBC Principle P1P2P3P4P5P6P7P8P9	Non-Monetary	Brief of the Case	Has an appeal been preferred? (Yes/No)
	Name of the regulatory/ enforcement agencies/ judicial institutions		
Imprisonment	NA		
Punishment	NA		

3. Of the instances disclosed in Question 2 above, details of Appeal/Revision preferred in case where monetary non-monetary actions has been appealed

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Policy available (Yes / No)	Yes
Web Link	https://www.bluestarindia.com/media/271526/code-of-conduct.pdf .
Details	Blue Star's Code of Conduct includes the clause pertaining to prohibition of corruption or bribery practices. The same is available on the Blue Star's website at https://www.bluestarindia.com/about-us/guiding-policies . Blue Star conducts its business free from the influence of corruption and bribery and expects its Employees and Business Partners to be aware of and follow all laws prohibiting bribery and other corrupt practices. The employees are forbidden to offer or accept an improper payment, bribe, gratification or kickback from an existing or potential client, competitor, supplier, or service provider. Blue Star has a robust whistle blower mechanism governed by the extensive 'Whistle Blower Policy', publicly available on the website of Blue Star at https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf . Any violation of the Code of Conduct of Blue Star, can be reported as per the vigil mechanism under Whistle Blower Policy. In addition, Blue Star has provided a toll-free number through which the informant can lodge their complaint. As mentioned in the policy, if a person reports a complaint under this policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance. On a quarterly basis, a communication from the Chief Human Resources Officer is sent out to all concerned reminding them about the whistle blower framework, and encouraging employees to speak up and report matters, without any fear or concern.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

Designation	FY25 Current Financial Year	FY24 Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Designation	FY25 (Current Financial Year)		FY24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Numbers of Complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provides details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on case of corruption and conflicts of interest

NA, there were no such cases in the reporting period.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/service procured) in the following format:

	FY 25 Current Financial Year	FY 24 Previous Financial Year
Number of days of accounts payables	130.45	109

9. Open-ness of business. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 25 Current Financial Year	FY24 Previous Financial Year
Concentration of Purchases	a. Purchase from trading houses as % of total purchases	1.01	0
	b. Number of trading houses where purchases are made from	37	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	97	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	52.48	49.88
	b. Number of dealers / distributors to whom sales are made	5,490	2,281
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	19.15	18.06
Share of RPTs in	a. Purchases (purchases with related parties / Total Purchases)	16.81	10.34
	b. Sales (Sales to related parties / Total Sales)	4.35	2.68
	c. Loans and advances (Loans and advances given to related parties / Total loans and advances)	71.64	76.69
	d. Investments (Investments in related parties / Total Investments made)	67.76	80.15

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Employee Health & Safety, Energy Footprint, Water Footprint, Waste Management, and Gender Diversity, Inclusive Development, GHG Footprint.	31.66

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of Board? If Yes, provide details of the same

Have Process: Yes / No	Yes
Details:	Blue Star has a process in place to manage conflict of interest. The Directors disclose their interest in companies through annual declaration and also intimate further changes therein from time to time. Blue Star monitors the related party transactions with such companies in which the Directors are interested and the interested Director abstains from discussion in such transaction. All related party transactions are undertaken in the ordinary course of business and are on arm's length basis and as a good governance practice, an independent Chartered Accountant's certificate certifying the fact that the Related Party transactions are in the ordinary course of business and are on arm's length basis is placed before the Audit Committee voluntarily on a quarterly basis. For identifying and tracking conflict of interests involving the Directors/KMPs of Blue Star, the list of entities in which the Directors are interested is shared with all concerned for monitoring and tracking transaction(s) entered by Blue Star with such parties.



PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	51.37%	30.32%	Entire development of star rated air conditioners, deep freezer and chillers is based around lower energy consumption which leads to lower load on grid and lower life cycle emissions.
Capex	28.81%	13.78%	In addition, implementation of low GWP refrigerants like R290, R600a, R32 and R454B helps in reduction of global warming.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?**

Entity has procedures (Yes / No)

Yes

Percentage of inputs

64

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life**

	Process Description
(a) Plastics (including packaging)	Blue Star has a mechanism for collecting and disposing of products at the end of their life cycle, in accordance with relevant regulations. We responsibly manage e-waste, hazardous waste, and plastic waste through authorised recyclers registered with the Central Pollution Control Board and State Pollution Control Board. Our compliance extends to the Reduction of Hazardous Substances (RoHS) requirements under the E-Waste (Management) Rules, 2022.
(b) E-waste	Blue Star collaborates with an authorized service provider to handle the entire disposal process for Electronic and Electrical waste, from collection to approved facilities. Consumers can access a list of collection centers via our toll-free number or our website at www.bluestarindia.com . Additionally, our Marketing team has designed a product take-back program to raise awareness among consumers about the benefits of environment friendly disposal for end-of-life products.
(c) Hazardous waste	NA
(d) Others waste	NA

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) applicable (Yes / No)

Yes

Describe

NA

Leadership Indicators

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	835	0	0	249.54	0
E-waste	0	13,490	0	0	11,224.65	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
AC	12
Visi Cooler	13
Deep Freezer	22
Cold Room	55
Air Cooler	12
Air Purifier	41



PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,854	2,854	100	2,854	100	0	0	0	0	2,854	100
Female	333	333	100	333	100	333	100	0	0	333	100
Total	3,187	3,187	100	3,187	100	333	100	0	0	3,187	100
Other Than Permanent employees											
Male	1,357	1,357	100	1,357	100	0	0	0	0	0	0
Female	78	78	100	78	100	78	100	0	0	0	0
Total	1,435	1,435	100	1,435	100	78	100	0	0	0	0

b. Details of measures for the well-being of Workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	371	371	100	371	100	0	0	0	0	371	100
Female	15	15	100	15	100	15	100	0	0	15	100
Total	386	386	100	386	100	15	100	0	0	386	100
Other Than Permanent workers											
Male	2,600	1,589	61.12	2,600	100	0	0	0	0	2,600	100
Female	81	77	95.06	81	100	81	100	0	0	81	100
Total	2,681	1,666	62.14	2,681	100	81	100	0	0	2,681	100

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY25 Current Financial Year	FY24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.12	0.16

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY25 Current Financial Year			FY24 Previous Financial Year		
	* No. of employees covered as a % of total employees	*No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
ESI	1.62	55.49	Y	0.33	0	Y
Gratuity	100	100	Y	100	100	Y
Others	0	100	NA	0	100	NA

*Includes other than permanent employees and workers.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers? (Yes/ No)

Yes

If not, whether any steps are being taken by the entity in this regard

Some of the office premises are accessible to differently abled employees; Blue Star has initiated action to make all its office premises accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016 (Yes / No).

Yes

If so, provide a web-link to the policy.

<https://www.bluestarindia.com/media/271526/code-of-conduct.pdf>

Blue Star is committed to provide equal opportunity to all persons including but not limited to transgenders and persons with disabilities, and shall not subject any person to unfair treatment in relation to their employment, promotion or other related issues or terminate the employment for reasons of gender or disability. Persons with disabilities will be considered for employment in positions where their disability will not prevent them from working. Blue Star would also provide them with necessary facilities based on their disabilities to enable them to effectively discharge the duties for which they are employed. The detailed policy is hosted on the intranet portal of Blue Star.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	87.5	0	0
Total	100	87.5	0	0

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Blue Star has adopted a Code of Conduct policy that is applicable to all its employees and workers and the same helps address and redress grievances of any nature of employees and workers. Besides, there is a discreet and formal mechanism in place for all the employees to voice their concerns, if any, to the Managing Directors, in person with the open-door policy or through a dedicated email address, which is handled and managed by only the Managing Directors.
Other than Permanent Workers	Yes	Blue Star has implemented a Gender-Neutral Prevention of Sexual Harassment (POSH) Policy, applicable to all employees, including permanent, contractual, temporary, and trainees. To enhance awareness on this policy, Blue Star conducts periodic online induction and refresher programs throughout the organisation. Blue Star has established formal mechanisms which are administered by committees that review any grievance.
Permanent Employees	Yes	Some of the mechanisms are, 'HR Kiosks', 'One-on-One' discussions, and 'Employee Town halls' by senior personnel which are periodically organised to understand and speedily address employee concerns and grievances. Mechanisms specific to workers at manufacturing locations comprise discussions with the shop floor supervisor and deliberations with the HR and the Union committees.
Other than Permanent Employees	Yes	As a part of the review mechanism, all the meetings and action items are documented; the action plans are reviewed periodically and driven to closure; local/regional HR personnel are appointed to track the progress. They are also responsible to ensure the anonymity and confidentiality of the complainants.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY25 Current Financial Year			FY24 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total permanent Employees	3,187	0	0.00	2,842	0	0.00
- Male	2,854	0	0	2,534	0	0
- Female	333	0	0	308	0	0
Total permanent Workers	386	189	48.96	322	191	59.32
- Male	371	189	50.94	322	191	59.32
- Female	15	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY25 Current Financial Year				FY24 Previous Financial Year			
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)
Employees								
Male	4,211	4,211	100	1,953	46.38	3,639	3,639	100
Female	411	411	100	361	87.83	353	353	100
Total	4,622	4,622	100	2,314	50.06	3,992	3,992	100
Workers								
Male	2,971	2,971	100	2,971	100	2,786	2,786	100
Female	96	96	100	96	100	33	33	100
Total	3,067	3,067	100	3,067	100	2,819	2,819	100

9. Details of performance and career development reviews of employees and worker:

Category	FY25 Current Financial Year			FY24 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,211	2,557	60.72	3,639	2,190	60.18
Female	411	307	74.7	353	264	74.79
Total	4,622	2,864	61.96	3,992	2,454	61.47
Workers						
Male	2,971	371	12.49	2,786	322	11.56
Female	96	15	15.63	33	0	0
Total	3,067	386	12.59	2,819	322	11.42

- 10 a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system**

Health and safety management system implemented by the entity (Yes / No)

Yes

Coverage system

All Manufacturing Plants, sites under Electro Mechanical Project Group (EMPG), Revamp & EFM are certified for Occupational Health & Safety Management System as per ISO 45001:2018 and system covers following key elements:

1. Establish and Implement the EHS Policy.
2. Identifying and assessing workplace hazards and risks.
3. Established procedures and protocols to mitigate risks and ensure employee safety.
4. Provided appropriate training and resources to employees for safe work practices.
5. Regular monitoring and evaluation of safety procedures and performance.
6. Review of EHS Performance by Senior Leadership periodically.
7. Continuous improvement in occupational health and safety system through involvement of all stakeholders, EHS Reviews, Audits etc.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard Identification and Risk Assessment (HIRA) is implemented as a part of ISO 45001 system and being followed at certified sites.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Y/N)**

Yes, any kind of incident is directly reported to the supervisor at the workplace who immediately issues an SOS for post hazard actions which have been established by Blue Star.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. Employees aged 40 and above are required to undergo annual health check-ups, which are provided by Blue Star. Additionally, all employees have access to healthcare services through their health insurance. Mental health support is available through the digital platform. Furthermore, basic health check-ups are conducted annually for workers stationed at various sites.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY25 Current Financial Year	FY24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked)	Employees	0	0
	Workers	0.34	0.04
Total recordable work-related injuries	Employees	0	0
	Workers	5	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

*Including contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

At Blue Star, we prioritise the safety, health, and environmental responsibility of our employees and stakeholders. Our commitment to creating a safe and accident-free workplace is integrated into every aspect of our operations, from planning and design to procurement, construction, and commissioning. We work towards this goal by:

1. **Ensuring Compliance:** We adhere to all relevant statutory and safety provisions. Regular audits and inspections are conducted to ensure legal compliance and adherence to our EHS policies.
2. **Promoting Safety Awareness:** We conduct campaigns and training programs for employees, business associates, and clients, ensuring that everyone follows established safety rules, systems, and practices.
3. **Providing Resources:** We allocate adequate resources to fully implement our Safety Policy.
4. **Stakeholder Engagement:** We actively seek feedback from employees, customers, and the community to improve our practices and also promote a positive EHS culture and recognize contributions from our employees through rewards and motivational programs.
5. **EHS Committee:** The Committee reviews safety plans, inspection reports, and implements corrective actions and gives insights & guidance to maintain consistency in safety practices across all the establishments of the Company.
6. **EHS Integration and continuous improvement:** At Blue Star, we embed EHS considerations into all business decisions and our commitment to safety drives us to regularly evaluate and refine our practices.

13. Number of Complaints on the following made by employees and workers:

Assessment Type	Current Financial Year			Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

Assessment Type	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- An effective EHS Management System has been established and is actively maintained.
- Comprehensive risk assessments are conducted for all operational activities, with appropriate control measures implemented to minimize risk levels and prevent incidents.
- Detailed Safe Operating Procedures have been developed for all critical tasks, and employees as well as workers are thoroughly trained to ensure safe execution.

- Routine inspections and systematic audits are carried out to ensure ongoing compliance and continuous improvement.
- In-depth incident investigations are conducted to identify root causes, and corrective and preventive actions are taken to eliminate recurrence.
- Employees are actively involved in EHS initiatives through various engagement programs, including Safety Day, World Environment Day, and other awareness campaigns.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

- (A) Employees (Y/N): Yes
- (B) Workers (Y/N): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has set a stringent Code of Conduct (CoC) for all supplier partners. This CoC is signed by most of our suppliers. The CoC includes clauses like regulatory compliance, human rights, respect and dignity, no child or forced labor, minimum wages, hours of work, accounting and reporting, bribery, corruption, money laundering and tax laws compliance.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particular	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY25 Current Financial Year	FY24 Previous Financial Year	FY25 Current Financial Year	FY24 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Employees have access to a transition assistance scheme/program/support. Furthermore, there exists a retirement policy aimed at providing transition assistance.

5. Details on assessment of value chain partners:

Assessment Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	26.64
Working	26.64



PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Blue Star has identified its internal and external stakeholders through a stakeholder mapping exercise. The key stakeholders include employees, customers, business associates, suppliers and distributors, shareholders, bankers, debenture holders, analysts, fund managers, regulatory authorities, industry associations and communities around Blue Star's manufacturing facilities and project sites.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes (Some of the employees will be from lower socioeconomic background and differently abled)	Email, newsletters, Intranet, website, mobile applications, open house sessions addressed by Senior Management members, satisfaction surveys and trainings, social media, etc.	Others - Ongoing	<ul style="list-style-type: none"> • Update on Blue Star's Strategic Plan and progress against the same; • Addressing queries and concerns of Employees; • Update on Blue Star's business and governance structure; • Action items arising out of satisfaction surveys and plans to implement them; • Employees' health and safety; • Advisory on retirement and post retirements; and • Various 'Fun at Work' activities to keep healthy engagement and stress-free work environment.
Customers	No	Emails, in person engagements and meetings, website, web application, call centre, social media, advertisements.	Others - Ongoing	<ul style="list-style-type: none"> • Updated on products including features, safety and safe usage and disposal; • Industry and regulatory updates; • Addressing queries and concerns of customers; and • Service and maintenance.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Business Associates	No	Emails, in person engagements and meetings, website, interactive portal, social media, satisfaction surveys.	Others - Ongoing	<ul style="list-style-type: none"> Best practices in project execution; Updates on health and safety practices; Action items arising out of satisfaction surveys and plans to implement them; and Training and awareness sessions on technical aspects and ethical practices.
Suppliers and Distributors	No	Emails, in person engagements and meetings, website, interactive portal, social media, satisfaction surveys.	Others - Ongoing	<ul style="list-style-type: none"> Product launches for channel partners; Update on products including features, safety and disposal; Update on health and safety practices; Action items arising out of satisfaction surveys and plans to implement them; Training and awareness sessions on technical aspects and ethical practices; and Assistance provided in arranging for financing needs to suppliers and distributors from the marginalised sections from banks and lending agencies as appropriate.
Shareholders/ Institutional Investors	No	Emails, earnings call, in person engagements and meetings, website, social media, satisfaction surveys, Annual Report, newspaper communications.	Others - Ongoing	<ul style="list-style-type: none"> Updates on Blue Star's quarterly performance and medium term outlook; Major industry developments; Action items arising out of satisfaction surveys and plans to implement them; Addressing queries and concerns of shareholders; Regular in person meetings with investors; and Regulatory updates.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Financiers	No	Emails, in person engagements and meetings, website, social media, Annual Report.	Others - Ongoing	<ul style="list-style-type: none"> Updates on Blue Star's performance and medium term outlook; Submissions made in compliance with lending arrangements/agreements; and Updates on major industry developments.
Regulatory Authorities	No	Emails, in person engagements and meetings.	Others - Ongoing	<ul style="list-style-type: none"> Updates on Blue Star's business and governance structure; Addressing queries and concerns; Statutory filings on timely basis; Industry advocacy; Sustainability practices; and Addressing environmental and societal concerns.
Industry Associations	No	Emails, in person engagements and meetings.	Others - Ongoing	<ul style="list-style-type: none"> Industry advocacy; Technical and technology advancements; Sustainability practices; Addressing environmental and societal concerns; and Regulatory updates.
Communities around Manufacturing locations and project sites	No	In person engagements and meetings.	Others - Ongoing	<ul style="list-style-type: none"> Facilitating employment opportunities; Skill development; Initiatives towards health, hygiene and wellness; Education; and Affirmative action for Scheduled Castes and Scheduled Tribes.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board

Blue Star's leadership maintains consistent and meaningful engagement with its key stakeholders, including investors, customers, suppliers, and employees. The Board of Directors receives regular, comprehensive updates on a broad spectrum of topics, encompassing industry trends, customer service improvements, digital transformation initiatives, corporate social responsibility (CSR) activities, financial performance, and strategic developments. Additionally, the Board is kept well-informed about the evolving regulatory landscape, including significant updates, circulars, and amendments issued by authorities such as SEBI and the Ministry of Corporate Affairs (MCA). The Directors actively contribute feedback, promoting strategic alignment, informed decision-making, and cross-functional collaboration throughout the organisation.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Used (Yes/No)

Yes

Details:

Blue Star conducts comprehensive materiality assessments to engage effectively with stakeholders and identify key priorities across economic, environmental, and social dimensions. In addition, proactive dialogue with investors and analysts enables the Company to gain valuable insights into their expectations, which are seamlessly integrated into its overarching sustainability framework. This collaborative and forward-looking approach has catalyzed the development of several impactful initiatives focused on responsible investing, equal opportunity, diversity and inclusion, data privacy, progressive human resource practices, environmental stewardship, and sustainability risk management. Through these strategic efforts, Blue Star reaffirms its commitment to addressing critical societal challenges while remaining aligned with the evolving expectations of its investors and wider stakeholder community.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Kindly refer to the Social Capital section of the Integrated Report.



PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY25 Current Financial Year			FY24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,187	3,187	100	2,842	2,842	100
Other than permanent	1,435	1,435	100	1,150	1,150	100
Total Employees	4,622	4,622	100	3,992	3,992	100
Workers						
Permanent	386	386	100	322	322	100
Other than permanent	2,681	2,681	100	2,497	2,497	100
Total Workers	3,067	3,067	100	2,819	2,819	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY25 Current Financial Year				FY24 Previous Financial Year					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	3,187	0	0	3,187	100	2,842	0	0	2,842	100
Male	2,854	0	0	2,854	100	2,534	0	0	2,534	100
Female	333	0	0	333	100	308	0	0	308	100
Other than Permanent	1,435	3	0.21	1,432	99.79	1,150	18	1.57	1,132	98.43
Male	1,357	3	0.22	1,354	99.78	1,105	18	1.63	1,087	98.37
Female	78	0	0	78	100	45	0	0	45	100
Workers										
Permanent	386	0	0	386	100	322	0	0	322	100
Male	371	0	0	371	100	322	0	0	322	100
Female	15	0	0	15	100	0	0	0	0	0
Other than Permanent	2,681	1,462	54.53	1,219	45.47	2,497	1,713	68.6	784	31.4
Male	2,600	1,435	55.19	1,165	44.81	2,464	1,681	68.22	783	31.78
Female	81	27	33.33	54	66.67	33	32	96.97	1	3.03

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in INR)	Number	Median remuneration/ salary/ wages of respective category (in INR)
Board of Directors (BoD)*	7	37,40,000	2	37,15,000
Key Managerial Personnel**	5	4,06,66,644	0	0
Employees other than BoD and KMP Workers	2,854	13,59,775	333	10,42,568
	371	2,77,740	15	1,80,000

*Board of Directors excludes two Managing Directors and one Executive Director

**Key Managerial Personnel includes two Managing Directors, one Executive Director, Group Chief Financial Officer and Company Secretary & Compliance Officer

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY25* Current Financial Year	FY24 Previous Financial Year
Gross wages paid to females as % of total wages	6.56	7

*FY 2024–25, wages reported are for employees (both permanent and non-permanent) and workers (both permanent and non-permanent) except those employed at our project sites and via service contracts. While Blue Star does not directly monitor or record wages paid by contractors, it ensures adherence to all statutory compliances mandated for such engagements. The data collation process currently remains largely manual, and there are gaps in the supporting evidence submitted by contractors to substantiate the figures. Blue Star is actively working on strengthening its wage reporting mechanisms to improve accuracy and alignment in future disclosures.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

(Yes / No)

Yes, we have Ethics Committee and Internal Complaints Committee.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human Rights at Blue Star –

- Employee Welfare and Well-being: Blue Star respects human rights and is committed to ensuring that human rights are protected and governed by the Blue Star Code of Conduct.
- Work Place Harassment and Sexual Harassment: Blue Star has a zero-tolerance policy against any kind of harassment whether sexual, verbal, physical or an act of exclusion which interferes with an individual's work performance or creates an environment which is hostile, offensive or intimidating.
- Blue Star ensures that it does not employ children at its workplaces.
- Blue Star's Code of Conduct also safeguards against forced labour of any kind.
- It is Blue Star's endeavour to offer equal opportunities to everyone without any discrimination, whether on rolls of Blue Star, contracted labour or workmen or people on third-party contractor rolls working for Blue Star assignments.

- During the challenging times of the COVID-19 pandemic, Blue Star took care of its employees and ensured that the employees have access to doctors, counsellors and helpline numbers.
- Blue Star has a Whistle Blower policy in place through which employees may report the events which have, or are suspected to have, taken place involving abuse of authority, fraud, leakage of information, illegal commission or kickbacks, manipulation of documents, conflict of interest, any other forms of corrupt practices, violation of Blue Star's policies, etc.
- Blue Star ensures a safe and healthy workplace for its employees.
- Open house sessions are hosted regularly to address employee grievances and suggestions.

6. Number of Complaints on the following made by employees and workers:

Category	FY25 Current Financial Year			FY24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1*	NA	2	1	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	2	1	NA	1	0	NA

*There was 1 pending POSH case as on March 31, 2025. However, as on the date of publication of this report, there are no pending cases pertaining to FY25.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY25 Current Financial Year	FY24 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees / workers	0.50	0.50
Complaints on POSH upheld	2*	2

*There was 1 pending case as on March 31, 2025. However, as on the date of publication of this report, there are no pending cases pertaining to FY25.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We conduct training sessions to foster awareness among our workforce. These initiatives are designed to ensure that every employee understands their rights, responsibilities, and the standards of behaviour expected within our organisation. Additionally, our policies are meticulously crafted to outline clear processes aimed at preventing any adverse consequences for individuals who file complaints. We are dedicated to cultivating a safe, respectful, and inclusive work environment where everyone feels empowered to speak up and where misconduct is swiftly addressed and rectified.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes / No)

Yes

Blue Star ensures that its Code of Conduct, which outlines human rights standards, along with Blue Star's core values and beliefs known as 'The Blue Star Way', are communicated to all value chain partners during the agreement and contract signing process. Compliance with the Code and adherence to the Blue Star Way are obligatory for all contractual engagements.

Vendor partners are required to strictly adhere to statutory regulations, with acknowledgment of the Code of Conduct being a standard component of employment contracts.

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/Involuntary Labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

No corrective actions were required.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There was no such process modification/introduction required.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

It includes annual assessment of Human Rights issues and policies of Blue Star, which is an assessment of Code of Conduct, diversity, corporate safety policy, and ethical business and operational practices.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, some of the offices of Blue Star are accessible to differently abled visitors. Blue Star is in the process of setting up necessary arrangements at the other premises.

4. Details on assessment of value chain partners:

Name of the Assessment	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	26.64
Discrimination at workplace	26.64
Child Labour	26.64
Forced Labour/Involuntary Labour	26.64
Wages	26.64
Others - please specify	26.64



PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY25 Current Financial Year	FY24 Previous Financial Year
From renewable sources (in Gigajoules)		
Total electricity consumption (A)	13,196.34	10,694.27
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	13,196.34	10,694.27
From non-renewable sources (in Gigajoules)		
Total electricity consumption (D)	81,524.92	72,744.05
Total fuel consumption (E)	41,218.92	33,107.19
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,22,743.84	1,05,851.24
Total energy consumed (A+B+C+D+E+F)	1,35,940.18	1,16,545.51
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000012	0.000001295
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00002452	0.000029632
Energy intensity in terms of physical output	1.24867935	0.100806143
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Intertek India Private Limited

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable, as none of the facilities have been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY25 Current Financial Year	FY24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,05,516.11	97,725.5
(iii) Third party water	61,307.09	48,205.02
(iv) Seawater / desalinated water	0	0
(v) Others*	37,144.2	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,03,967.4	1,45,930.52
Total volume of water consumption (in kilolitres)	1,82,430.28	1,45,930.52
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	0.00000161	0.000001622
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00003291	0.000037103
Water intensity in terms of physical output	1.67571445	0.126222734
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

*Others include recycled water from ETP & STP Plants.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Intertek India Private Limited

4. Provide the following details related to water discharged:

Parameter	Treatment	FY25 Current Financial Year	FY24 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface Water		0	0
(ii) To Groundwater		0	0
(iii) To Seawater		0	0
(iv) Sent to third-parties	No Treatment	21,537.12	28,398.83
(v) Others		0	0
Total water discharged (in kilolitres)		21,537.12	28,398.83

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Intertek India Private Limited

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

However, all the manufacturing facilities of Blue Star operate on a zero process discharge basis, since all the wastes generated due to industrial processes are treated onsite. This is ensured through Effluent Treatment Plants (ETP) & Sewage Treatment Plants (STP) which are advanced wastewater treatment methods that are installed at all the manufacturing sites of Blue Star. The treated water is then used for in house gardening purpose.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY25 Current Financial Year	FY24 Previous Financial Year
NOx	mg/Nm3	183.15	53.86
SOx	mg/Nm3	45.15	22.06
Particulate matter (PM)	mg/Nm3	198.72	57.91
Persistent organic pollutants matter (POP)	mg/Nm3	0	0
Volatile organic compounds (VOC)	mg/Nm3	0	0
Hazardous air pollutants (HAP)	mg/Nm3	0	0
Others – please specify	mg/Nm3	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes

Name of external agency

1. UniStar Environment and Research Labs Pvt. Ltd
2. RB Enviro Laboratories (OPC) Private Limited
3. Entech Laboratories
4. Envirocare Laboratories Private Limited

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY25* Current Financial Year	FY24 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,720.37	2,046.80
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	16,463.5	14,467.98
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric Tonne/INR	0.00000017	0.000000184
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric Tonne/INR	0.00000346	0.000004199
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric Tonne / Metric Tonne	0.17621355	0.014284482
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric Tonne/INR	NA	NA

*Process and fugitive emissions are excluded.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Intertek India Private Limited

8. Does the entity have any project related to reducing Green House Gas emission?

Yes

If Yes, then provide details.

Saki Naka Office:

40 kWp rooftop solar system commissioned in November 2023. Obtained Net Zero Energy Certification by IGBC in December 2024.

Thane Office:

50 kWp rooftop solar system installed in 2022, offsetting approximately 2% of total energy consumption. Additional 25 kWp rooftop solar system scheduled for commissioning in July 2025.

Chennai Office (Keyaram):

Entire power requirement sourced via solar PPA with a third-party provider since 2022.

Wada Plant:

3.1 MWp rooftop solar system installed. Old low-pressure air compressors replaced with high energy-efficient models in March 2025, resulting in a 40% improvement in specific energy consumption. Intelligent Flow Controller (IFC) installed for optimized air compressor performance at the Wada-DF plant. Electrical resistance heating replaced with high-efficiency heat pumps. Centrifugal fans replaced with EC fans with variable speed, delivering approximately 40% improvement in efficiency.

Himachal Pradesh Plants:

HP-1: 620 kWp rooftop solar system under commissioning expected completion is August 2025.

Dadra Plant:

100 kWp rooftop solar system installed. Additional 30 kWp system under commissioning expected completion in August 2025. Retrofit of high-efficiency pump at powder coating booth for improved energy performance.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY25 Current Financial Year	FY24 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	97.98	47.76
E-waste (B)	84.35	49.87
Bio-medical Waste (C)	0.08	0.08
Construction and demolition waste (D)	0	0
Battery Waste (E)	0.64	1
Radioactive Waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	356.2	302.02
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	6,978.62	5,350.43
Total (A + B + C + D + E + F + G + H)	7,517.86	5,751.15
Waste intensity per rupee of turnover	0.00000007	0.000000064
(Total Waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated / Revenue from operations adjusted for PPP)	0.00000136	0.000001462
Waste intensity in terms of physical output	0.06905535	0.00497446
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	415.84	0
(ii) Re-Used	0	0
(iii) Other recovery operations	0	1,119.05
Total	415.84	1,119.05

Parameter	FY25 Current Financial Year	FY24 Previous Financial Year
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	10.5	0.08
(ii) Landfilling	361.18	0
(iii) Other disposal operations	6,599.21	4,619.5
Total	6,970.9	4,619.58

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Intertek India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Blue Star Limited adheres to the E-Waste (Management) Rules, 2022, by filing annual returns with the Central Pollution Control Board (CPCB) and ensuring that all e-waste generated is channelled exclusively through authorized recyclers for environmentally sound disposal.

At its manufacturing sites, Blue Star has implemented a nano ceramic coating process within its paint shops, which operates on a zero-discharge and zero-sludge generation basis. All chemicals utilized in this process are fully compliant with the Restriction of Hazardous Substances (RoHS) directives.

All hazardous waste generated is securely stored in designated, demarcated areas and is disposed of solely through vendors authorized by the respective State Pollution Control Boards (SPCBs), within a statutory period not exceeding 90 days from the date of generation.

Additionally, Blue Star exercises continuous oversight and implements proactive measures to minimize the use of hazardous substances in its manufacturing processes, ensuring that all discharges and emissions remain within the concentration thresholds and limits stipulated under applicable environmental laws and regulations in India.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Blue Star has no operations/offices in/around ecologically sensitive areas	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Blue Star has not conducted EIA during the reporting period.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

S. No.	Specify the law / regulation / guidelines which was not complied	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			NA	

If not, provide details of all such non-compliances, in the following format:

Blue Star is compliant with applicable environmental law/ regulations/ guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

Leadership Indicators

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of LED Lamps in Wada plant	New LED lamps are installed in Wada plant to enhance energy savings	Energy Savings of 2,50,000 kWh annually
2	Retrofitting of existing air compressors at the Wada facility	Retrofitted existing old air compressors with high-efficiency, low-pressure air compressors	Energy savings of 1,65,000 kWh annually
3	Installation of High Efficiency Heat Pump at Wada	Electric resistance heating was replaced with a high-efficiency heat pump to improve energy performance	Energy Savings of 80,000 kWh annually
4	Installation of Intelligent Flow Controller (IFC) at Wada plant	Intelligent Flow Controllers (IFCs) were installed on air compressors at the Wada plant to enhance energy savings	Energy Savings of 30,000 kWh annually
5	Replacement of Centrifugal fans with EC fans	Centrifugal fans were replaced with electronically commutated (EC) fans featuring variable speed control to improve energy efficiency	Energy Savings of 24,000 kWh annually

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. Blue Star has in place a Business Continuity Management Systems Policy and has also formulated Standard Operating Procedures to keep its critical processes operational and continue delivery of its products and services within acceptable timeframes at predefined capacity in the event of a disruption.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

26.44



PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

21

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National and State Level
2	Indian Green Building Council (IGBC)	National
3	Refrigeration and Air-conditioning Manufacturers Association (RAMA)	National
4	Consumer Electronics and Appliances Manufacturers Association (CEAMA)	National
5	American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE)	National and State Level
6	Indian Society of Heating, Refrigerating and Air Conditioning Engineers (ISHRAE)	National and State Level
7	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
8	The Air-Conditioning, Heating, and Refrigeration Institute (AHRI)	International
9	European Heat Pump Association (EHPA)	International
10	American Society of Safety Professionals (ASSP) - India Chapter	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
		NA

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Blue Star is a member of various industrial fora and trade bodies and plays a key role in advocating issues impacting the sectors through these trade bodies. It actively participates in industry and also provides support in the formulation of relevant policies. Blue Star continues to follow and monitor the business and regulatory environment closely. Blue Star leads various industry forums and provides technical and sectoral thought leadership to assist policy formulation by various bodies.

Following are some of the public policy positions advocated by Vir Advani, Chairman & Managing Director and B Thiagarajan, Managing Director:-

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Member of the CII National Council <ul style="list-style-type: none"> • Create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes. 	Leadership in national council, strategic policy formulation and advocacy	Yes	NA	NA
2	Chairman of the CII Trade Policy Council <ul style="list-style-type: none"> • Advocacy and capacity building on the use of FTAs, addressing New Technical Barriers to Trade, upgrading to and complying with International Standards, with an aim to grow India's share of the world trade basket. 	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA
3	National Chairman of CII Indian Green Building Council <ul style="list-style-type: none"> • Expanding the footprint by green built environment. • Driving Net Zero principles & mission. 	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
4	Currently as the Chairman of CII National Committee on Consumer Durables and Electronics, formulating and driving implementation of sustainable growth strategy for the industry.	Leadership in national committee, strategic policy formulation and advocacy	Yes	NA	NA
5	As the erstwhile President of Refrigeration and Air conditioning Manufacturers Association (RAMA), spearheaded the Energy Labelling Programme for Air Conditioners and also the phase-out of Ozone Depleting Substances. Further, contributed to the formulation of India Cooling Action Plan.	Advocacy through industry association leadership and policy formulation participation	Yes	NA	NA
6	In CII, as the past Chairman of National Cold Chain Committee and as the Co-Chair of National Agriculture Council, undertook unique programmes to reduce the wastage of perishables. The sustainable value chains for bananas is of particular importance.	Leadership in national committees and implementation of programmes for agricultural sustainability	Yes	NA	NA
7	Chairman, Green Cooling Council, CII Green Business Centre. Spearheaded the Think - tank comprising industry, academic and research institutions for promoting technologies and practices for sustainable cooling.	Advocacy through industry association leadership for sustainable cooling	No	NA	NA



PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Project Name	SIA Notification	Date Notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA, During the current Financial Year the Social Impact assessment was not mandatory.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA, No such projects were undertaken by Blue Star.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Plant head and HR head at Blue Star's manufacturing facilities engage with the communities located in the vicinity on an ongoing basis. The implementing agencies appointed for undertaking CSR initiatives have their own grievance mechanism for the beneficiaries thereunder.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY25 Current Financial Year	FY24 Previous Financial Year
Directly sourced from MSMEs/ small producers	35.56	44.57
Directly from within India	84	82.24

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location*	FY25 Current Financial Year	FY24 Previous Financial Year
Rural	0.13	0
Semi-urban	7.88	3
Urban	12.29	19.5
Metropolitan	79.7	77.5

*Location categorized as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan. Refer to Principle 5, Essential Indicator Q3(b) to understand the approach for this disclosure.

Leadership Indicators

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

Blue Star is committed to fostering an inclusive and equitable supply chain through its Affirmative Action Code of Conduct. As part of this commitment, the company actively promotes Supplier Diversity by prioritizing procurement opportunities for Dalit entrepreneurs. Blue Star is systematically working towards achieving a minimum target of 10% representation of Dalit vendors within its procurement ecosystem, reinforcing its dedication to social equity and inclusive growth.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Aganwadi Adoption programme	160	100
2	Capacity Building and vocational training for Women, FPO and cold chain	1,412	100
3	Digital Education Programme for children	2,100	100
4	Educational support programme for tribal girls	65	100
5	Educational support programme for underprivileged children	31	100
6	Health programme in rural areas	12,000	100
7	Mohan T Advani Scholarship programme	342	100
8	Skill Development training for underprivileged youth	80	100
9	Stem Education Programme	6,795	100
10	Vocational Training programme (AC&R/MEP/computer training/soft skill)	2,080	100
11	Apprenticeship Programme	375	100
12	Transforming Education Outcomes in Hingoli District	3,105	100



PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Blue Star has a well-defined complaint redressal mechanism, outlined in a documented policy that covers complaints received through toll-free numbers, the customer care app, emails, SMS, and WhatsApp. The policy specifies the process for reviewing, resolving, and closing complaints, ensuring that all issues are addressed within defined timelines. In addition, Blue Star utilizes Star Serve, a digital tool available on both web and mobile platforms, which serves as an interface for channel partners and service technicians. This approach fosters high customer satisfaction through efficient issue resolution, while also ensuring transparency. Furthermore, Blue Star continuously enhances its service by leveraging analytics and feedback, maintaining a proactive and customer-centric approach to complaint management.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Services	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

Particular	FY25 Current Financial Year			FY24 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber Security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	23,61,154	1,536	NA	26,94,664	45,010	NA

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reasons for recall
Voluntary Recall	0	NA
Forced Recall	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web-link of the policy.

<https://www.bluestarindia.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of data breaches

No data breaches in FY25

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services of the entity can be accessed at Blue Star's website at <https://www.bluestarindia.com/>. The product information can also be found on the social media handles of Blue Star.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The authorized channel partners of the Company are constantly informed about the safe usage of the Company's products which is in turn communicated to the end users as well. Responsible usage intimation of the Company's products is also carried out during the periodic service that takes place at the customer site. All the product manuals issued by the Company mention in detail about the product handling and usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Blue Star is steadfast in ensuring uninterrupted services to critical sectors such as healthcare and public services. The company proactively communicates potential service disruptions to its channel partners, exemplified during the COVID-19 pandemic when essential services continued without interruption. Additionally, Blue Star offers remote monitoring for chillers installed at customer sites, enabling timely alerts and proactive mitigation of potential issues. To further bolster service reliability, Blue Star has implemented a comprehensive Business Continuity Management System (BCMS) policy, supported by Standard Operating Procedures (SOPs). This framework ensures the continuity of critical processes, allowing Blue Star to maintain the delivery of products and services within predefined timelines and capacities during disruptions. Blue Star's commitment to service continuity is further evidenced by its record order book of 6,263.4 crores as of March 31, 2025, underscoring its robust financial health and capacity to navigate challenges. These efforts collectively demonstrate Blue Star's dedication to maintaining service excellence and reliability, even in the face of unforeseen disruptions.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

Yes

a. If yes, provide details in brief.

The product information is displayed as per the mandates; Blue Star displays additional information depending on the type of products: like the type of refrigerant; type of air conditioner – Inverter or fixed speed; customer service information; safety instructions; details on the blowing agent for commercial refrigeration products, etc.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

- (i) Customer satisfaction survey through SMS & Voice from Call Center for Service Calls; and
- (ii) External survey is conducted once in 2 years. Conducted in Q4FY25.

Independent Reasonable Assurance Statement to Blue Star Limited on their Business Responsibility & Sustainability Report (BRSR) Core Disclosures as part of the Integrated Annual Report FY2024-25.

To the Management of Blue Star Limited, Mumbai, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Blue Star Limited ("BSL") to provide an independent reasonable assurance on its BRSR (Business Responsibility & Sustainability Report) Core disclosures as a part of the Integrated Annual Report FY2024-25 ("the Report"). The scope of the Report comprises the reporting periods of FY2024-25. The Report is prepared by BSL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC), International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the Business Responsibility and Sustainability Report (BRSR) requirements laid down by SEBI and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Integrated Annual Report FY2024-25 of Blue Star Limited.

Responsibilities

The management of BSL is solely responsible for the development of Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of BSL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for select sustainability performance disclosures as per BRSR Core disclosures with reference to SEBI's "BRSR Core (Annexure-I) - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023, presented by BSL in its Integrated Annual Report. The assurance boundary included data and information for the operations of BSL at its manufacturing facilities at Ahmedabad, Wada, two plants at Himachal Pradesh, Dadra, all regional offices and Corporate office at Mumbai.

Our scope of assurance included verification of internal control systems, data and information on BRSR core disclosures reported as summarized below:

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable:

- Number of days of accounts payable.
- Concentration of purchases & sales done with trading houses, dealers, and related parties.
- Loans and advances & investments with related parties.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains:

- Cost incurred on well-being measures as a % of total revenue of the company.
- Safety related incidents (LTIFR, Fatality, Permanent Disabilities) for employees and workers.

Principle 5: Businesses should respect and promote human rights:

- Gross wages paid to females as percentage of wages paid.
- Complaints on POSH.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

- Total Scope 1 and Scope 2 emissions.
- GHG emissions intensity (scope 1 and 2).
- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment.
- Total energy consumed, % of energy consumed from renewable sources and energy intensity.
- Total waste generated (category-wise); waste intensity; Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

Principle 8: Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India).
- Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events.

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement'.

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/ parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 5% was applied.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by BSL for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to BSL's sites in Maharashtra, Corporate office and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2025. Our assurance task was planned and carried out during Mar-May 2025. The assessment included the following:

- Assessment of the select sustainability performance disclosures in accordance with the SEBI's BRSR Core guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at selected BSL's operational sites and digitally.
- Conducted physical and remote interviews with key personnel responsible for data management from selected BSL's operational sites and corporate office.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by BSL for data analysis.

- Review of BRSR core disclosures for the duration from 1st April 2024 to 31st March of 2025 for BSL was carried out onsite at BSL's corporate office and select business locations.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details were provided in a separate management report.

Conclusions

Intertek has reviewed the BRSR Core indicators in the "Report" for the reporting period from 1st April 2024 to 31st March 2025. Based on the scope of our review, we conclude with reasonable assurance that the sustainability data and information is fairly presented in all material aspects as per BRSR Core guidelines.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For **Intertek India Pvt. Ltd.**

Poonam Sinha

Intertek Verifier

05/06/2025

Shilpa Naryal

Head of Sustainability

Intertek South Asia & MENAP

06/06/2025

Sandeep Vig

Director-Business Assurance

Intertek India & MENAP

No member of the verification team (stated above) has a business relationship with Blue Star Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

Independent Auditor's Report

To The Members of Blue Star Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Blue Star Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint ventures 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accounting for Fixed Price Contracts Estimate of cost is a critical estimate to determine revenues from fixed price contracts and liability for onerous obligations. This estimate has an inherent uncertainty as it requires measurement of the progress of contracts, which is based on cost till date and total cost required to complete the contract performance obligations. (Refer Note 16B, 24B, 28 and 50 to the consolidated financial statement)	Principal audit procedure performed included the following: i. assessed the appropriateness of the accounting policy for recognizing revenue on fixed price contracts with the requirements of Ind AS 115. ii. evaluated the design and implementation of internal controls over recording of actual cost till date and estimation of total cost required to complete the performance obligations. iii. tested the operating effectiveness of the said internal controls for a selected sample of contracts.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Assessment of the carrying value of contract assets and trade receivables: The appropriate valuation of certain trade receivables and contract assets is dependent on a number of factors such as age, creditworthiness and ability of counterparties to make payment. (Refer Note 16B and 13 to the consolidated financial statement)</p>	<p>iv. verified the Company's measurement of the actual cost till date and the total estimated cost for completion of performance obligations for a selected sample of contracts.</p> <p>v. performed substantive tests on a sample of contracts to identify, if any, significant variations in actual costs till date and total costs required to complete the performance obligations and verified whether the revenue was recognised based on such costs after considering the effects of variations, if any, in the total costs required to complete the performance obligations.</p> <p>vi. identified onerous contracts to record a provision for expected costs to be incurred till completion of the contract.</p> <p>Principal audit procedures performed:</p> <p>i. evaluated the design and implementation of internal controls over the review of valuation of trade receivables and contract assets.</p> <p>ii. tested the operating effectiveness of the said internal controls for selected samples.</p> <p>iii. scrutinised a sample of receivable accounts to confirm management's assessment about recoverability of the receivables, having regards to credit worthiness of the counterparties to make payment based on passage of time and/ or information available with management.</p> <p>iv. verified subsequent receipts for selected samples, post balance sheet date.</p> <p>v. verified the management's estimates for provision of expected credit loss in terms of Ind AS 109 on Financial Instruments.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Integrated report, Board's Report, Management Discussion and Analysis, Business Responsibility Report and the Dynamics of Blue Star's Growth (herein after referred to as "other information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.
- 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 CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent has adequate internal financial controls with reference to consolidated 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 ability of the Group and its joint ventures 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 consolidated 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 Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- a) We did not audit the financial statements/ financial information of seven subsidiaries, whose financial statements / financial information reflect total assets of ₹ 450.73 crore as at March 31, 2025, total revenues of ₹ 748.17 crore and net cash inflows amounting to ₹ 25.47 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1.33 crore for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management.

These subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in such countries. The Parent's management has converted the financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally

accepted in India, where applicable. Our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and the joint venture is based solely on the report of other auditors, the conversion adjustments prepared by the Management and the procedures performed by us as stated under Auditor's Responsibilities section above.

- b) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.02 crore as at March 31, 2025, total revenues of ₹ Nil and net cash flows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information has not been audited by us. The carrying amount of investment is fully provided for by the Group.

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above subsidiary and joint venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and joint

ventures referred to in the Other Matters section above we report, to the extent applicable that:

- 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 of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group and its joint ventures including relevant records so far as it appears from our examination of those books, returns and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

- 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 and based on the auditor's reports of subsidiary companies, incorporated in India, the remuneration paid by the Parent and such subsidiary companies, to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 38 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 25 to the consolidated financial statements;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in the note 10 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person or entity, 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 Parent or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in the note 20 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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 performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 19 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiaries incorporated in India have used accounting software systems for maintaining their respective 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 audit, we have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent Company and above referred subsidiary companies incorporated in India as per the statutory requirements for record retention, as applicable.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Ketan Vora

Partner

Place: Mumbai

Membership No. 100459

Date: 07th May, 2025

UDIN: 25100459BMMHLL8120

Annexure "A" to the Independent Auditor's Report of Blue Star Limited

(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 CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Blue Star Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 and based on the consideration of the reports other auditors referred to in the Other Matters paragraph below, Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Ketan Vora

Partner

Place: Mumbai

Membership No. 100459

Date: 07th May, 2025

UDIN: 25100459BMMHLL8120

Consolidated Balance Sheet

as at March 31, 2025

Particulars	Notes	As at March 31, 2025	As at March 31, 2024	₹ Crores
A ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	4	1,234.17	980.01	
(b) Capital work-in-progress	5	73.36	108.06	
(c) Investment property	6	7.09	9.72	
(d) Right-of-use assets	7	181.12	81.59	
(e) Intangible assets	8A	113.33	93.22	
(f) Intangible assets under development	8B	49.81	19.00	
(g) Investment in joint venture	9	17.94	17.88	
(h) Financial assets				
(i) Loans	10	20.05	5.86	
(ii) Other financial assets	11	31.45	25.20	
(ij) Income tax assets (net)	27	122.59	118.98	
(j) Deferred tax assets	27	8.90	7.28	
(k) Other non-current assets	16A	84.92	111.42	
Total non-current assets		1,944.73	1,578.22	
2. Current assets				
(a) Inventories	12	2,149.15	1,407.18	
(b) Contract assets	16B	832.45	730.46	
(c) Financial assets				
(i) Investments	9	414.12	248.92	
(ii) Trade receivables	13	1,959.37	1,952.56	
(iii) Cash and cash equivalents	14	425.59	373.64	
(iv) Other bank balances	15	6.33	3.73	
(v) Loans	10	4.60	2.62	
(vi) Other financial assets	11	43.64	40.05	
(d) Other current assets	16A	477.52	280.87	
Total current assets		6,312.77	5,040.03	
Total assets		8,257.50	6,618.25	
B EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital	17	41.12	41.12	
(b) Other equity	18	3,023.90	2,568.96	
Equity attributable to equity holders of the Company		3,065.02	2,610.08	
2. Non controlling interest				
Total equity		2.60	2.55	
3. Non-current liabilities				
(a) Contract liabilities	24B	11.28	13.49	
(b) Financial liabilities				
- Lease liabilities	22	138.69	54.53	
(c) Provisions	25	25.31	15.93	
(d) Government grants	26	16.90	7.66	
(e) Deferred tax liabilities	27	13.45	6.98	
(f) Other non-current liabilities	24A	39.86	28.92	
Total non-current liabilities		245.49	127.51	
4. Current liabilities				
(a) Contract liabilities	24B	269.89	222.45	
(b) Financial liabilities				
(i) Borrowings	20	199.36	166.62	
(ii) Lease liabilities	22	42.95	21.78	
(iii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	21	267.98	227.89	
(b) Total outstanding dues of creditors other than micro and small enterprises	21	3,159.64	2,388.71	
(iv) Other financial liabilities	23	63.93	51.81	
(c) Government grants	26	1.52	1.17	
(d) Other current liabilities	24A	754.42	657.49	
(e) Provisions	25	111.08	76.86	
(f) Income tax liabilities (net)	27	73.62	63.33	
Total current liabilities		4,944.39	3,878.11	
Total equity and liabilities		8,257.50	6,618.25	

Summary of material accounting policies

2

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

1 to 55

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 07, 2025

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

Vir S. Advani
Chairman and Managing Director
(DIN: 01571278)

Rajesh Parte
Company Secretary

B. Thiagarajan
Managing Director
(DIN: 01790498)

Nikhil Sohoni
Group Chief Financial Officer

Consolidated Statement of Profit and Loss

for year ended March 31, 2025

₹ Crores

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	28	11,967.65	9,685.36
Other income	29	75.00	47.42
Total income (I)		12,042.65	9,732.78
Expenses			
Cost of materials consumed (including direct project and service cost)	30	7,943.80	6,146.48
Purchase of stock-in-trade	30	1,411.83	1,161.80
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(281.29)	83.69
Employee benefits expenses	31	918.87	749.48
Finance costs	32	48.80	58.08
Depreciation and amortisation expenses	33	128.37	97.61
Other expenses	34	1,098.52	878.97
Total expenses (II)		11,268.90	9,176.11
Profit before share of profit of a joint venture, exceptional items and tax (I-II)		773.75	556.67
Share of profit / (loss) of joint venture		(1.33)	0.49
Profit before exceptional items and tax		772.42	557.16
Exceptional Items	35	12.51	-
Profit before tax		784.93	557.16
Tax expense			
(i) Current tax	27	188.87	134.89
(ii) Deferred tax	27	4.78	7.96
Total tax expenses		193.65	142.85
Profit for the year		591.28	414.31
Other comprehensive income			
(A) Item that will not be reclassified to profit or loss			
Re-measurement gain / (loss) on defined benefit plans		(2.08)	(2.41)
Income tax relating to items that will not be reclassified to profit or loss	27	0.52	0.58
(B) Item that will be reclassified to profit or loss			
Foreign currency translation reserve		5.12	1.12
Income tax relating to items that will be reclassified to profit or loss	27	-	-
Other comprehensive income		3.56	(0.71)
Total comprehensive Income for the year		594.84	413.60
Profit for the year attributable to :			
Owners of the Company		591.24	414.95
Non-controlling interests		0.04	(0.64)
Other comprehensive income attributable to :			
Owners of the Company		3.50	(0.77)
Non-controlling interests		0.06	0.06
Total comprehensive income for the year attributable to :		594.74	414.18
Owners of the Company		0.10	(0.58)
Earnings per share (face value of ₹ 2 per share)	36		
Basic (in ₹)		28.76	20.77
Diluted (in ₹)		28.76	20.77
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.	1 to 55		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

B. Thiagarajan

Managing Director
(DIN: 01790498)

Rajesh Parte

Company Secretary

Nikhil Sohoni

Group Chief Financial Officer

Mumbai: May 07, 2025

Consolidated Statement of Changes in Equity

for year ended March 31, 2025

(A) Equity share capital

For the year ended March 31, 2025

₹ Crores

Balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the current reporting period
41.12	-	41.12

For the year ended March 31, 2024

₹ Crores

Balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the current reporting period
41.12	21.86	41.12

(B) Other equity

For the year ended March 31, 2025

₹ Crores

Particulars	Reserves and surplus							Other comprehensive income	Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	Capital reserve (refer note 18)	General reserve (refer note 18)	Share based payments reserve (refer note 18)	Retained earning (refer note 18)		
Balance as at April 1, 2024	1,171.11	2.34	0.60	43.43	150.16	-	1,184.63	16.69	2,568.96
Profit for the year	-	-	-	-	-	-	591.24	-	591.24
Adjustment during the year	-	-	-	-	0.36	-	-	-	0.36
Other comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(1.56)	5.12	3.56
Total comprehensive income for the year	-	-	-	-	-	-	589.68	5.12	594.80
Issue of bonus equity shares	-	-	-	-	-	-	-	-	-
Premium on allotment of equity shares	-	-	-	-	-	-	-	-	-
Expenses on allotment of equity shares	-	-	-	-	-	-	-	-	-
Dividend (refer note 19)	-	-	-	-	-	-	(143.92)	-	(143.92)
Share based payments expense	-	-	-	-	-	3.70	-	-	3.70
Balance as at March 31, 2025	1,171.11	2.34	0.60	43.43	150.52	3.70	1,630.39	21.81	3,023.90

For the year ended March 31, 2024

₹ Crores

Particulars	Reserves and surplus							Other comprehensive income	Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	Capital reserve (refer note 18)	General reserve (refer note 18)	Share based payments reserve (refer note 18)	Retained earning (refer note 18)		
Balance as at April 1, 2023	210.15	2.34	0.60	43.43	152.21	-	887.09	15.57	1,311.39
Profit for the year	-	-	-	-	-	-	414.95	-	414.95
Adjustment during the year	-	-	-	-	(2.05)	-	-	-	(2.05)
Other comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(1.83)	1.12	(0.71)
Total comprehensive income for the year	-	-	-	-	-	-	413.12	1.12	412.19
Issue of bonus equity shares	(19.26)	-	-	-	-	-	-	-	(19.26)
Premium on allotment of equity shares	997.40	-	-	-	-	-	-	-	997.40
Expenses on allotment of equity shares	(17.18)	-	-	-	-	-	-	-	(17.18)
Dividend (refer note 19)	-	-	-	-	-	-	(115.58)	-	(115.58)
Balance as at March 31, 2024	1,171.11	2.34	0.60	43.43	150.16	-	1,184.63	16.69	2,568.96

Summary of material accounting policies

2

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

1 to 55

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

Mumbai: May 07, 2025

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

Rajesh Parre

Company Secretary

B. Thiagarajan

Managing Director
(DIN: 01790498)

Nikhil Sohoni

Group Chief Financial Officer

Consolidated Statement of Cash Flows

for year ended March 31, 2025

₹ Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	784.93	557.16
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	128.37	97.61
Finance cost	48.80	58.08
Rental income	(0.52)	(0.50)
Interest income	(15.02)	(7.50)
Equity settled share-based payment expenses	3.70	-
Gain on sale of mutual fund	(34.89)	(17.88)
Net unrealised foreign exchange (gain) / loss	1.22	(0.68)
Loss on sale of property, plant and equipment	4.55	3.66
Profit on sale of investment property	(12.51)	-
Deferred income arising from government grant	(2.71)	(5.37)
Share in profit / (loss) of joint venture	1.33	(0.49)
Net unrealised gain on commodity hedging	1.37	(1.37)
Bad debts written off and provision for doubtful debts	42.32	72.60
Provisions and liabilities written back	(29.65)	(53.32)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	921.29	702.00
Adjustments for movement in working capital :		
(Increase) / decrease in trade receivables	(44.42)	(478.90)
(Increase) / decrease in Inventories	(741.93)	26.22
(Increase) / decrease in financial assets / other assets	(217.73)	(27.59)
(Increase) / decrease in contract assets	(102.00)	(154.09)
Increase / (decrease) in trade payables	831.55	160.51
Increase / (decrease) in financial liabilities / other liabilities	126.88	142.68
(Increase) / decrease in contract liabilities	45.23	39.68
Increase / (decrease) in government grants	9.60	2.91
Increase / (decrease) in provisions	41.18	12.11
Cash generated from operations	869.65	425.53
Direct taxes paid	(181.58)	(136.31)
Net cash generated from operating activities (A)	688.07	289.22
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangible assets under development]	(372.03)	(440.96)
Government grant towards purchase of equipments	2.71	2.63
Proceeds from sale of property, plant and equipment	3.40	5.07
Proceeds from sale of investment property	19.00	-
Sale of current investments	5,543.05	5,637.24
Purchase of current investments	(5,673.37)	(5,738.40)
Rent received	0.52	0.50
Interest received	12.73	9.30
Net cash used in investing activities (B)	(463.99)	(524.62)
CASH FLOWS FROM FINANCING ACTIVITIES		
Commercial papers borrowed	925.00	1,525.00
Commercial papers repaid	(925.00)	(1,575.00)
Proceeds from / (repayment of) other current borrowings (net)	43.24	2.87
Proceeds from non-current borrowings	-	150.00
Repayment of non-current borrowings	-	(518.59)
Repayment of lease liabilities	(28.11)	(23.45)
Finance cost paid	(32.85)	(63.55)
Proceeds from issue equity shares	-	1,000.00
Initial cost on issue of equity shares	(0.54)	(16.64)
Dividend paid to owners of the Company	(143.92)	(115.81)
Net cash (used in) / generated from financing activities (C)	(162.18)	364.83
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	61.90	129.43
Cash and cash equivalents at the beginning of the year	357.29	227.47
Effects of exchange differences on restatement of foreign currency cash and cash equivalents.	0.94	0.39
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	420.13	357.29

Consolidated Statement of Cash Flows

for year ended March 31, 2025

Particulars	₹ Crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH AND CASH EQUIVALENTS COMPRISSES OF :		
Balances with banks:		
- In current accounts	153.79	182.88
- In fixed deposits	271.51	190.26
Cash on hand	0.29	0.50
Total cash and cash equivalents (refer note 14)	425.59	373.64
- Bank overdraft (refer note 20)	(5.46)	(16.35)
Balance as per statement of cash flows	420.13	357.29

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.

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2025 :

Particulars	₹ Crores		
	Non current borrowings	Current borrowings	Lease liabilities
Balance as at the beginning of the year	-	166.62	76.31
Cash flows during the year (net)	-	43.24	(28.11)
Current maturity of long term borrowings	-	-	-
Bank overdraft	-	(10.80)	-
Variation in foreign exchange	-	0.30	-
Balance as at the end of the year (excluding interest liability on borrowings)	-	199.36	48.20
Non cash changes due to :			
- Acquisitions under finance lease	-	-	121.70
- Interest on finance lease	-	-	11.74
Balance as at the end of the year (including interest liability on borrowings)	-	199.36	181.64

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

Particulars	₹ Crores		
	Non current borrowings	Current borrowings	Lease liabilities
Balance as at the beginning of the year	161.74	415.90	84.31
Cash flows during the year (net)	(368.59)	(47.13)	(23.45)
Current maturity of long term borrowings	206.85	(206.85)	-
Bank overdraft	-	4.47	-
Variation in foreign exchange	-	0.23	-
Balance as at the end of the year (excluding interest liability on borrowings)	-	166.62	60.86
Non cash changes due to :			
- Acquisitions under finance lease	-	-	7.54
- Interest on finance lease	-	-	7.91
Balance as at the end of the year (including interest liability on borrowings)	-	166.62	76.31

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements. 1 to 55

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 07, 2025

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

Vir S. Advani
Chairman and Managing Director
(DIN: 01571278)

Rajesh Parte
Company Secretary

B. Thiagarajan
Managing Director
(DIN: 01790498)

Nikhil Sohoni
Group Chief Financial Officer

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

1. CORPORATE INFORMATION

Founded in 1943 by Mr. Mohan T Advani, Blue Star Limited ("the Company") is a public listed Company and India's leading air conditioning, commercial refrigeration, and MEP (Mechanical, Electrical, Plumbing, and Fire-fighting) contracting Company. As an expert in cooling, Blue Star offers a plethora of cooling solutions and has also made inroads into water and air purification, engineering facilities management, commercial kitchen, and healthcare refrigeration. The Company's integrated business model of a Manufacturer; Engineering, Procurement, and Construction (EPC) services provider; and After-sales service provider enables it to offer comprehensive solutions for the residential, commercial, and infrastructure segments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and presentation

The Consolidated 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 Consolidated Financial Statements of the Parent 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) Basis of Consolidation

The Consolidated Financial Statements comprises of financial statement of Parent and entities controlled by the Parent and its subsidiaries as at March 31, 2025. Control is assessed in accordance with the requirement of Ind AS 110 – Consolidated Financial Statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Subsidiaries :

The Parent consolidates the financial statements of all subsidiaries it controls. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the Group uses accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. All intragroup assets, liabilities, equity, income, expense, cash flows, and unrealised gains/ losses relating to transactions between Group entities are eliminated on consolidation.

Principles of Consolidation :

- (i) The financial statements of the Parent and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation recognised in the Foreign Currency Translation Reserve (FCTR).

- (iv) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (v) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.
- (vi) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

Investments in joint ventures :

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its and joint venture are accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

If an entity's share of losses of joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

(c) 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 Group to make estimates and judgements that

affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities and the reported amounts of income and expense for the periods presented.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3.

(d) Revenue recognition

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

i. Revenue from sale of goods :

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with transfer of goods to the transporters. The normal credit term is 7 to 30 days. Indicators that control has been transferred include, the establishment of the Group's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer.

The Group provides preventive maintenance services on its certain products at the time of sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are

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for the year ended March 31, 2025

capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance service is provided based on the time elapsed.

ii. Revenue from construction contracts :

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

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

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

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

iii. Revenue from sale of services :

Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognised on a straight line basis over the period of the performance obligation.

iv. Dividend and Interest income :

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

v. Rental income :

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

(e) Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Employee benefits

Short term benefits :

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

Retirement benefits :

Defined contribution plan :

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

Defined benefit plan :

The Group makes monthly contributions toward the employees' provident fund which is administered by a trust. In the event of an interest shortfall (between the interest declared by the Government and the interest paid by the fund) the deficiency is made good by the Group, based on an actuarial valuation. The present value of the defined benefit obligation of employees' provident fund is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. The Group's liability towards

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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). Defined benefit costs are composed of:

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

Other long-term employee benefits :

Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation at the balance sheet date which is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Share based payments :

Employees (including senior executives) of the Group 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 recognised in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised 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 recognised is the expense as if the terms had not been modified, if the original terms of the award

are met. An additional expense is recognised 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.

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

(g) Leases

As a lessee

At the inception of a contract, the Group 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 Group 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.

(i) Right-of-use asset :

The Group 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

Notes to Consolidated Financial Statements

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or the end of the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "n" 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	60 years
Average lease term	1 to 10 years.

(ii) Lease liability :

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group 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 Group 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

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Foreign currencies

The functional currency of the Group is the Indian rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

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

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

In case of foreign operations of the Group with a functional currency other than the functional currency of the Group, assets and liabilities have been translated using exchange rates prevailing on the balance sheet date and items of income and expense have been translated using average exchange rates during the period. Such translation adjustments have been reported as foreign currency translation reserves in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or

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for the year ended March 31, 2025

a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(i) Taxes

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

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

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

i. Current income tax

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

ii. Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying

amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

(j) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

necessary to explain the performance of the Group and to assist users of financial statements in making projections of future financial performance.

(k) Property, plant and equipment

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

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

When significant components of plant and equipment are replaced separately, the Group 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 straight line method 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 and machinery (Pattern, moulds and dies)	8-20
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Computer - desktop, laptops, servers and networks.	3
Leasehold improvements	6 or the life based on lease period, whichever is lower

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

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

Freehold land is not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised

upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition / disposal of an asset is included in profit or loss.

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

Capital work-in-progress and capital advance

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

(l) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful lives are as follows:

Nature of investment property	Useful life (years)
Office Buildings	60

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee. Transfers are made to (or from) investment properties only when there is a change in use.

(m) 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 over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are derecognised on disposal, or when no further economic benefits are expected from use or disposal. Any gain or loss arising from derecognition is included in profit or loss.

The useful lives of intangible assets are as mentioned below:

Nature of intangible asset	Useful life
Software (Acquired)	6 years
Technical knowhow (Internally generated)	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.

Research and development costs

Research costs are expensed as incurred. Development expenditure on projects is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention and ability to complete and to use or sell the asset.

- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the asset.
- The ability to measure reliably the expenditure incurred during development.

Development expenditure that does not meet the above criteria is expensed as incurred.

During the period of development, the asset is tested for impairment annually.

(n) Impairment

i. Financial assets :

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

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

ii. Non-financial assets :

The Group 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 Group 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 Group's 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

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 Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

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

(o) 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 Group 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.

Subsequent measurement

The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. For the purposes of subsequent measurement, financial liabilities is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Financial assets

Cash and cash equivalents

The Group 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 Group's cash management.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised 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 of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Wherever the customer has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the customer are treated as disputed amount.

Trade Receivables

Trade receivables are financial assets within the scope of measurement requirements of Ind AS 109. All

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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.

Investment in subsidiaries and joint ventures

The Group accounts for its investments in subsidiaries and joint ventures at cost less impairment in the financial statements.

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 the 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 designated upon initial recognition at fair value through profit or loss are designated as

such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Offsetting of financial assets and financial liabilities

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

Equity instruments

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

Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the

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timing of the recognition in profit or loss depends on the nature of the hedged item.

Derecognition of financial instruments

The Group derecognises 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 derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement

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

In addition, for financial reporting purposes, fair value measurements are categorised 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 its 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 Group 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.

(p) Inventories

Inventories including Work-in-Progress (other than construction contracts) are valued at cost or net realisable value, whichever is lower, with cost being 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.

(q) Provisions and contingencies

Provisions

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

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

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence

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

Contingent assets are not recognised in the financial statements. However, where an inflow of economic benefits is probable, the Group discloses the same in the financial statements.

Environment liabilities

E-Waste (Management) Rules 2022, as amended, requires the Group to complete the Extended Producer Responsibility targets (EPR) measured based on sales made in the preceding 10th year. Accordingly, the obligation event for e-Waste obligation arises only if Group participate in the markets in such years.

(r) Segment reporting

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

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

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

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

(s) Earnings per share

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

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

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

(t) 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 capitalised 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 recognised in profit or loss.

(u) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

(v) Current / Non-current classification

The Group 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,

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- 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.

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

The Group classifies all other liabilities as non-current.

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

(w) Contract balances

Contract assets

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

Trade receivables

A receivable represents the Companies right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of

the consideration is due). Refer to accounting policies of financial assets in section O 'Financial instruments'.

Contract liabilities

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

Recent accounting pronouncements

New and amended Ind AS effective from April 01, 2024

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

New and amended Ind AS 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Group's consolidated 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 Group's

Notes to Consolidated Financial Statements

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historical experience, existing market conditions, as well as forward looking estimates including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Expected cost of completion of contracts

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

Contract variations

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

Rebates and discounts

The Group provides rebates and discounts to its dealers and channel partners based on an expectation of volumes to be achieved and parameters such as exclusivity in marketing the products of the Group, quality of showroom among other parameters. This involves a certain degree of estimation of whether

all the parameters to provide discounts have been achieved. Provision for discount and rebates is based on the Group's past experience of volumes achieved vis-à-vis targets and expected volumes to be achieved for the year.

Warranties

Provision for warranty costs in respect of products sold which are still under warranty is based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period.

Inventory

The Group 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 Group 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 underlying assumptions, including the discount rate, mortality 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

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for the year ended March 31, 2025

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.

Intangible asset under development

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

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) is based on assumptions of risk of default and expected loss rates. The Group makes

judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Group's 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 collectible.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carry forward period are reduced.

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for the year ended March 31, 2025

4. PROPERTY PLANT AND EQUIPMENT

Particulars	Land - freehold	Leasehold Improvements	Buildings	Plant and equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	₹ crores Total
Gross carrying value									
As at April 1, 2023	15.33	30.98	274.97	563.60	16.06	14.00	43.62	32.16	990.72
Additions during the year	-	48.89	47.46	202.50	2.88	8.14	18.60	12.85	341.32
Disposals / transfers during the year	-	0.00	(0.48)	(9.04)	(1.07)	(0.79)	(8.54)	(1.77)	(21.69)
Foreign currency translation	-	0.01	0.01	0.08	0.03	0.01	0.08	0.04	0.26
As at March 31, 2024	15.33	79.88	321.96	757.14	17.90	21.36	53.76	43.28	1,310.61
As at April 1, 2024	15.33	79.88	321.96	757.14	17.90	21.36	53.76	43.28	1,310.61
Additions during the year	-	-	96.25	206.52	9.43	5.68	30.52	5.77	354.17
Disposals during the year	-	(0.05)	(17.35)	(12.81)	(2.12)	(0.96)	(5.96)	(13.60)	(52.84)
Transfer during the year	-	-	1.50	0.74	0.09	(3.07)	-	0.74	-
Foreign currency translation	-	0.02	0.03	0.08	0.04	0.08	0.11	0.06	0.42
As at March 31, 2025	15.33	79.85	402.39	951.67	25.34	23.09	78.43	36.25	1,612.36
Accumulated depreciation									
As at April 1, 2023	-	7.21	51.85	165.09	7.81	5.00	19.62	28.17	284.74
Disposals / transfers during the year	-	-	(0.46)	(6.89)	(0.99)	(0.75)	(6.30)	(1.70)	(17.09)
Depreciation charged for the year	-	2.84	8.92	37.54	0.83	2.65	7.43	2.73	62.94
As at March 31, 2024	-	10.05	60.31	195.74	7.65	6.90	20.75	29.20	330.60
As at April 1, 2024	-	10.05	60.31	195.74	7.65	6.90	20.75	29.20	330.60
Disposals during the year	-	(0.04)	(10.92)	(8.78)	(1.75)	(0.90)	(4.15)	(12.92)	(39.46)
Transfer during the year	-	-	0.16	0.10	0.02	(0.51)	-	0.23	-
Depreciation charged for the year	-	2.97	9.29	53.97	1.72	3.29	9.91	5.90	87.05
As at March 31, 2025	-	12.98	58.85	241.03	7.64	8.78	26.51	22.41	378.19
Net book value									
As at March 31, 2025	15.33	66.87	343.54	710.64	17.70	14.33	51.92	13.84	1,234.17
As at March 31, 2024	15.33	69.83	261.65	561.40	10.25	14.46	33.01	14.08	980.01

Note :

- All the title deeds of immovable property (other than properties on lease) are in the name of the Group.

Asset Held for Sale	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	-	1.63
Add : Additions during the year	2.11	0.15
Less : Discard and disposals made during the year	(2.11)	(1.78)
Balance as at the end of the year	-	-

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5. CAPITAL WORK-IN-PROGRESS

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	108.06	60.93
Add : Additions during the year	319.47	388.45
Less : Capitalisation during the year	(354.17)	(341.32)
Balance as at the end of the year	73.36	108.06

Note: The amount of borrowing cost capitalised during the year ended March 31, 2025 is ₹ NIL (The amount of borrowing cost capitalised during the previous year ended March 31, 2024 is ₹ 1.74 crores. The rate used to determine the amount of borrowing cost eligible for capitalisation was 1.2% which is effective interest rate of the specific borrowing).

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	67.90	5.46	-	-	73.36	104.78	2.76	0.52	-	108.06
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	67.90	5.46	-	-	73.36	104.78	2.76	0.52	-	108.06

Note:

- Refer note 38(b) 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 property, plant and equipment 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.

6. INVESTMENT PROPERTY

Particulars	₹ crores
Building	
Gross carrying value	
As at April 1, 2023	17.91
Additions during the year	-
Disposals / transfer during the year	-
At March 31, 2024	17.91
Additions	-
Disposals / transfer during the year	(7.71)
At March 31, 2025	10.20
Accumulated depreciation	
As at April 1, 2023	7.59
Depreciation charged for the year	0.60
At March 31, 2024	8.19
Disposals / transfer during the year	(5.59)
Depreciation charged for the year	0.51
At March 31, 2025	3.11

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for the year ended March 31, 2025

6. INVESTMENT PROPERTY (Contd..)

Particulars	₹ crores
Net book value	
At March 31, 2025	7.09
At March 31, 2024	9.72
Fair value * (refer note 43)	
At March 31, 2025	17.75
At March 31, 2024	35.99

*Valuation is based on fair value assessment done by registered valuer as defined under rule 2 of Companies (Register Valuers and Valuation), Rules 2017. Accordingly, fair value estimates for investment properties are classified as level 3.

Assets given on operating lease

(i) The Group has entered into lease arrangements, for renting the following:

Category of asset	Area (Sq. ft)	Period
Building (Sahas)	2,050	5 years

(ii) Disclosure in respect of assets given on operating lease included in following heads:

Particulars	As at March 31, 2025	As at March 31, 2024	₹ crores
	*	*	*
Investment property	*	*	*

* Indicates amount less than ₹ 1 lakh

Movement in fair valuation of investment property

Particulars	As at March 31, 2025	As at March 31, 2024	₹ crores
	35.99	34.88	34.88
Balance as at the beginning of the year	35.99	34.88	
Add : Increase in fair valuation	0.57	1.11	
Less : Disposal of investment property	(18.81)	-	
Balance as at the end of the year	17.75	35.99	

Information regarding income and expenditure of investment property

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	₹ crores
	0.52	0.50	0.50
Rental income derived from investment property	0.52	0.50	
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-	
Profit arising from investment property before depreciation and indirect expenses	0.52	0.50	
Less : Depreciation charged during the year	(0.51)	(0.60)	
Profit arising from investment property before indirect expenses	0.01	(0.10)	

The Group has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements.

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7. RIGHT OF USE ASSETS

Particulars	Land - leasehold	Buildings	₹ crores Total
Gross carrying value			
As at April 1, 2023	4.70	143.50	148.20
Additions during the year	9.18	8.00	17.18
Disposals / transfers during the year	-	(1.24)	(1.24)
At March 31, 2024	13.88	150.26	164.14
As at April 1, 2024	13.88	150.26	164.14
Additions during the year	-	127.56	127.56
Disposals / transfers during the year	-	(1.07)	(1.07)
As at March 31, 2025	13.88	276.75	290.63
Accumulated amortisation			
As at April 1, 2023	0.20	64.36	64.56
Amortisation for the year	0.25	17.74	17.99
As at March 31, 2024	0.45	82.10	82.55
As at April 1, 2024	0.45	82.10	82.55
Amortisation for the year	0.74	26.22	26.96
As at March 31, 2025	1.19	108.32	109.51
Net book value			
As at March 31, 2025	12.69	168.43	181.12
As at March 31, 2024	13.43	68.16	81.59

8A. INTANGIBLE ASSETS

Particulars	Technical knowhow (Internally Generated)	Software (Acquired)	₹ crores Total
Gross carrying value			
As at April 1, 2023	84.74	105.80	190.54
Additions during the year	36.67	19.52	56.19
Disposals / transfers during the year	(1.45)	(0.02)	(1.47)
As at March 31, 2024	119.96	125.30	245.26
As at April 1, 2024	119.96	125.30	245.26
Additions during the year	15.51	30.58	46.09
Disposals / transfers during the year	(37.80)	(0.38)	(38.18)
As at March 31, 2025	97.67	155.49	253.17
Accumulated amortisation			
As at April 1, 2023	55.53	76.05	131.58
Disposals / transfers during the year	-	-	-
Amortisation for the year	9.14	11.32	20.46
As at March 31, 2024	64.67	87.37	152.04
As at April 1, 2024	64.67	87.37	152.04
Disposals / transfers during the year	(35.61)	(0.39)	(36.00)
Amortisation for the year	10.62	13.18	23.80
As at March 31, 2025	39.68	100.16	139.84
Net book value			
As at March 31, 2025	57.99	55.32	113.33
As at March 31, 2024	55.29	37.93	93.22

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8B. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	19.00	22.39
Add : Additions during the year	76.90	52.80
Less : Capitalisation during the year	(46.09)	(56.19)
Balance as at the end of the year	49.81	19.00

Note: There are no projects / items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

9. INVESTMENTS

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
I. Non current investments		
Unquoted (accounted under equity method)		
Investment in joint ventures (refer note 41)		
367,500 (March 31, 2024 : 367,500) fully paid equity shares of MR 1 each in Blue Star M & E Engineering (Sdn) Bhd	17.94	17.88
255,000 (March 31, 2024 : 255,000) Fully paid Equity shares of OMR 1 each in Blue Star Oman Electro-Mechanical Co. LLC (refer note a. below)	-	-
Total non current investments	17.94	17.88
Aggregate amount of unquoted investments at cost	17.94	17.88
II. Current investments		
Investment in mutual funds measured at FVTPL		
Investment in units of unquoted mutual funds		
Growth Scheme		
19,667.5 Units (March 31, 2024 : 68,590 Units) in HDFC Mutual Fund	10.02	32.52
3,23,471.223 Units (March 31, 2024 : 1,16,697) in UTI Mutual Fund	99.00	38.78
6,23,430.93 Units (March 31, 2024 : 17,86,404 Units) in Aditya Birla Mutual Fund	26.81	69.56
1,27,147.352 Units (March 31, 2024 : 678 Units) in Axis Mutual Fund	36.66	0.18
1,19,11,486.427 Units (March 31, 2024 : 51,576 Units) in Kotak Mutual Fund	56.83	25.14
22,81,982.577 Units (March 31, 2024 : 1,64,866 Units) in ICICI Mutual Fund	85.95	5.89
2,39,822.529 Units (March 31, 2024 : 96,580 Units) in Nippon India Mutual Fund	98.85	41.61
Nil Units (March 31, 2024 : 93,252 Units) in SBI Mutual Fund	-	35.24
Total current investments	414.12	248.92
Aggregate amount of unquoted investments at FVTPL	414.12	248.92

Note: Investment in joint venture - Blue Star Oman Electro- Mechanical Co. LLC

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Investment in joint venture - Blue Star Oman Electro - Mechanical Co. LLC.	4.34	4.34
Less : Impairment loss	(4.34)	(4.34)
Balance as at the end of the year	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

10. LOANS (UNSECURED UNLESS OTHERWISE STATED)

Particulars	₹ crores			
	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost				
Loans to employees, considered good	20.05	5.86	4.60	2.62
Loan to joint venture - credit impaired (related party - refer note 39)	4.46	4.46	-	-
Less: Loss allowance	(4.46)	(4.46)	-	-
Total loans	20.05	5.86	4.60	2.62

- a. The Group 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.
- b. Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c. Loan given to employees are as per terms of employment.

11. OTHER FINANCIAL ASSETS

Particulars	₹ crores			
	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Security deposits, considered good				
Security deposits, considered good	27.77	21.24	11.99	12.48
Security deposits, credit impaired	-	-	2.91	2.39
Less: Loss allowance	-	-	(2.91)	(2.39)
	27.77	21.24	11.99	12.48
Bank deposit more than 12 months maturity (including accrued interest thereon) (refer note a)	3.68	3.96	-	-
Interest accrued on fixed deposit	-	-	-	1.92
Profit linked incentive receivable	-	-	18.00	6.00
Other financial assets (Insurance claim and grant receivable from Mr. Ashok M. Advani (promoter))	-	-	13.65	18.13
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts (refer note b)	-	-	-	0.16
Commodity forward contracts (refer note c)	-	-	-	1.36
Total other financial assets	31.45	25.20	43.64	40.05

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

11. OTHER FINANCIAL ASSETS (Contd..)

(a) Margin money deposits

Margin money deposits with a carrying amount of ₹ 3.68 Crores (As at March 31, 2024 : ₹ 3.96 Crores) are subject to a first charge as security deposit with customers.

(b) Foreign exchange forward contracts

The Group 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.

(c) Commodity forward contracts

The Parent enters into commodity exchange forward contracts with the intention of reducing the fluctuation in price for the purchase of copper, aluminium and other raw material inputs. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

12. INVENTORIES (Valued at lower of cost and net realisable value)

₹ crores

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and components	1,047.23	592.00
Work-in-progress	154.68	120.10
Finished goods	374.00	297.10
Stock-in-trade	493.92	324.10
Stores and Spares	79.32	73.88
Total inventories	2,149.15	1,407.18
Inventories includes goods-in-transit		
Raw materials and components	181.76	92.64
Finished goods	39.84	24.63
Stock-in-trade	54.66	18.77
Total goods-in-transit	276.26	136.04

The above inventory values are net of provisions made of ₹ 36.53 Crores (March 31, 2024 ₹ 37.26 Crores) for slow moving, obsolete and defective inventory.

During the year, write down on value of inventory of ₹ 7.99 (March 31, 2024 ₹ 3.47 crores) recognised in Statement of Profit and Loss on account of slow moving, obsolete and defective inventory.

13. TRADE RECEIVABLES

₹ crores

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - unsecured	2,033.23	2,030.88
Trade receivables - credit impaired	95.81	69.01
	2,129.04	2,099.89
Less : Allowance for doubtful debts and credit loss	(169.67)	(147.33)
Total trade receivables	1,959.37	1,952.56

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

13. TRADE RECEIVABLES (Contd..)

- (i) Trade receivables are on non interest bearing credit terms and the credit period of the products are determined by the type of the products. In case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received as per payment terms in the contract, before the performance obligation is satisfied.
- (ii) The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Group follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

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

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	147.33	127.99
Add : Impairment loss recognised (refer note 34)	44.94	56.08
Less : Allowances provided earlier written back	(4.16)	(1.96)
Less: Allowances provided earlier written off as bad debts (refer note 34)	(18.44)	(34.78)
Balance as at the end of the year	169.67	147.33

Ageing of trade receivables

Particulars	₹ crores						
	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	
Undisputed							
Trade receivables considered good - unsecured	994.82	836.24	108.52	64.69	14.81	14.35	2,033.23
Trade receivables - credit impaired	0.26	0.82	4.40	16.68	33.38	40.27	95.81
	994.88	837.06	112.92	81.37	48.19	54.62	2,129.04
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	994.88	837.06	112.92	81.37	48.19	54.62	2,129.04
Total trade receivables							
Less : Allowance for doubtful debts and credit loss							(169.67)
Total trade receivables	994.88	837.06	112.92	81.37	48.19	54.62	1,959.37

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

13. TRADE RECEIVABLES (Contd..)

₹ crores

Particulars	As at March 31, 2024						Total	
	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		
Undisputed								
Trade receivables considered good - unsecured	1,018.82	766.34	123.45	79.97	17.47	24.83	2,030.88	
Trade receivables - credit impaired	-	0.36	4.60	21.56	24.95	17.54	69.01	
	1,018.82	766.70	128.05	101.53	42.42	42.37	2,099.89	
Disputed								
Trade receivables considered good - unsecured	-	-	-	-	-	-	-	
Trade receivables - credit impaired	-	-	-	-	-	-	-	
	1,018.82	766.70	128.05	101.53	42.42	42.37	2,099.89	
Total trade receivables	1,018.82	766.70	128.05	101.53	42.42	42.37	2,099.89	
Less : Allowance for doubtful debts and credit loss							(147.33)	
	1,018.82	766.70	128.05	101.53	42.42	42.37	1,952.56	

14. CASH AND CASH EQUIVALENTS

₹ crores

Particulars	As at March 31, 2025	As at March 31, 2024	
Cash and cash equivalents			
Balances with banks:			
- In current accounts	153.79	182.88	
- Deposits with original maturity of less than 3 months	271.51	190.26	
Cash on hand	0.29	0.50	
	425.59	373.64	
Total cash and cash equivalents			

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

15. OTHER BANK BALANCES

₹ crores

Particulars	As at March 31, 2025	As at March 31, 2024	
Other bank balances			
- Unpaid dividend * (refer note - 23)	3.62	3.61	
- Deposits with original maturity of more than 3 months but less than 12 months	2.62	-	
- Cash and bank balance not available for immediate use	0.09	0.12	
	6.33	3.73	
Total other bank balances			

* The Group can utilise these balances only towards settlement of unpaid dividend and fractional shares.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

16A. OTHER ASSETS

Particulars	Non-current		Current		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Retention	-	-	105.09	65.58	
Capital advances	16.12	35.60	-	-	
Balance with statutory authorities	63.74	60.41	168.01	73.28	
Less: Loss allowance	(5.80)	(5.80)	-	-	
Balance with statutory authorities (Net)	57.94	54.61	168.01	73.28	
Advances to suppliers	-	-	109.17	90.05	
Less: Loss allowance	-	-	(1.00)	(1.00)	
Advances to suppliers (Net)	-	-	108.17	89.05	
Prepaid expenses	10.86	21.21	81.75	47.74	
Government grant receivable	-	-	14.50	3.91	
Other assets	-	-	-	1.32	
Total other assets	84.92	111.42	477.52	280.87	

Note :

Balances with statutory authorities (non-current) includes customs duty, integrated goods and services tax, social welfare surcharge deferred against bonded manufacturing scheme (MOOWR Scheme) on import of capital goods. The Group has also recognised corresponding liability for the same amount (refer note no. 24A) – Other non-current liabilities.

16B. CONTRACT ASSETS (CURRENT)

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Contract assets (Unsecured, considered good)	861.32	769.58
Less: Loss allowances	(28.87)	(39.12)
Total contract assets (net)	832.45	730.46

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

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	39.12	26.22
Impairment loss recognised / (reversal)	14.02	25.44
Less: Allowances provided earlier written off	(24.27)	(12.54)
Balance as at the end of the year	28.87	39.12

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL

Authorised Share capital	Equity shares of ₹ 2 each		Unclassified shares of ₹ 100 each		7.8% cumulative convertible preference shares of ₹ 100 each		Cumulative compulsorily convertible preference shares of ₹ 10 each	
	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores
As at April 1, 2023	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
As at March 31, 2024	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
As at March 31, 2025	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52

Issued, subscribed and paid up share capital	Equity shares of ₹ 2 each		Unclassified shares of ₹ 100 each		7.8% cumulative convertible preference shares of ₹ 100 each		Cumulative compulsorily convertible preference shares of ₹ 10 each	
	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores
As at April 1, 2023	9,63,13,888	19.26	-	-	-	-	-	-
Increase/(Decrease) during the year	10,93,00,900	21.86	-	-	-	-	-	-
As at March 31, 2024	20,56,14,787	41.12	-	-	-	-	-	-
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
As at March 31, 2025	20,56,14,787	41.12	-	-	-	-	-	-

Terms/Rights attached to Equity Shares

The Parent has one class of Equity Shares having par value of ₹ 2 per share. Each share holder is entitled to one vote per share. The Parent 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 Parent, the holders of equity shares will be entitled to receive remaining assets of the Parent, 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 7.8 % 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 shares of the parent in the event of increase in share capital or winding up of the parent 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 Parent.

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for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL (Contd..)

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	20,56,14,788	41.12	9,63,13,888	19.26
Issue of bonus shares (refer note a)	-	-	9,63,13,888	19.26
Issue of share through QIP (refer note b)	-	-	1,29,87,012	2.60
Balance as at the end of the year	20,56,14,788	41.12	20,56,14,788	41.12

- a. Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Parent had issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.
- b. The Parent raised capital of ₹ 1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Parent, at its meeting held on September 22, 2023 had approved the allotment of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹ 768 per equity share).

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	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	2,39,11,202	11.63%	2,39,11,202	11.63%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	1,55,69,860	7.57%	1,56,99,860	7.64%
SBI Small Cap Fund	81,40,038	3.96%	1,59,32,066	7.75%
Kotak Emerging Equity Scheme	91,55,646	4.45%	1,20,67,756	5.87%

Aggregate number of equity shares as bonus, shares issued for consideration other than cash

Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Parent had issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.

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17. EQUITY SHARE CAPITAL (Contd..)

Shareholding pattern of promoters and changes in holding during the year

Name of Promoters	As at March 31, 2025			As at March 31, 2024		
	Number of shares	% of total shares	% Changes during the year	Number of shares	% of total shares	% Changes during the year
Suneel Mohan Advani	Promoter	24,54,992	1.19%	0.00%	24,54,992	1.19% 100.00%
Vir S Advani	Promoter	22,12,550	1.08%	2.95%	21,49,250	1.05% 100.00%
Ria Talati Advani	Promoter	28,300	0.01%	-	-	0.00% -
Sunaina Murthy	Promoter	21,45,050	1.04%	0.00%	21,45,050	1.04% 100.00%
Dinesh Nanik Vaswani	Promoter	53,888	0.03%	0.00%	53,888	0.03% 100.00%
Suneeta Nanik Vaswani	Promoter Group	16,54,644	0.80%	(6.02%)	17,60,644	0.86% 84.49%
Rohina Lulla	Promoter Group	43,49,260	2.12%	0.00%	43,49,260	2.12% 272.18%
Anissa Khanna	Promoter Group	42,65,646	2.07%	0.00%	42,65,646	2.07% 278.57%
Nargis Suneel Advani	Promoter Group	22,73,872	1.11%	0.00%	22,73,872	1.11% 100.00%
Sanjay N Vaswani	Promoter Group	2,43,950	0.12%	0.00%	2,43,950	0.12% 100.00%
Armaan Sandeep Murthy	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05% 100.00%
Jay Talati Advani	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05% 100.00%
Sumer Sandeep Murthy	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05% 100.00%
Uday Vir Advani	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05% 100.00%
Anita Ashok Advani*	Promoter Group	60,000	0.03%	0.00%	60,000	0.03% 100.00%
Dev Khanna	Promoter Group	39,250	0.02%	0.00%	39,250	0.03% 100.00%
Preeti Vaswani	Promoter Group	53,700	0.02%	0.00%	53,700	0.02% 100.00%
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	Promoter Group	2,39,11,202	11.63%	0.00%	2,39,11,202	11.63% 100.00%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	1,55,69,860	7.57%	(0.83%)	1,56,99,860	7.64% 103.37%
Ashok Mohan Advani as a Trustee of Suneeta Padmi Trust	Promoter Group	11,75,344	0.57%	0.00%	11,75,344	0.57% 100.00%
Vistra Itcl (India) Limited as a Trustee of NSA Family Trust	Promoter Group	46,00,000	2.24%	0.00%	46,00,000	2.24% 100.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL (Contd..)

Share held by promoters at the end of the year		As at March 31, 2025			As at March 31, 2024		
Name of Promoters		Number of shares	% of total shares	% Changes during the year	Number of shares	% of total shares	% Changes during the year
Vistra Itcl (India) Limited as a Trustee of SNA Family Trust	Promoter Group	46,00,000	2.24%	0.00%	46,00,000	2.24%	100.00%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	11,74,784	0.57%	2.31%	11,48,284	0.56%	106.66%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	11,74,780	0.57%	2.31%	11,48,280	0.56%	106.66%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	11,74,780	0.57%	2.31%	11,48,280	0.56%	106.66%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	11,74,778	0.57%	2.31%	11,48,278	0.56%	106.66%
J.T.Advani Advisory Private Limited	Promoter Group	1,04,344	0.05%	0.00%	1,04,344	0.05%	100.00%
Iman Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	100.00%
Rana Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	100.00%
Ashwin Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	-
Nandeeta Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	-

*Anita Ashok Advani passed away on November 13, 2024.

18. OTHER EQUITY

S. no.	Particulars	₹ crores	
		As at March 31, 2025	As at March 31, 2024
I	Security Premium		
	Balance as at the beginning of the year	1,171.11	210.15
	Add: Issue of bonus equity shares	-	(19.26)
	Add: Premium on allotment of equity shares	-	997.40
	Less: Expenses on allotment of equity shares	-	(17.18)
	Balance as at the end of the year	1,171.11	1,171.11
II	Capital redemption reserve		
	Capital subsidy from government	2.34	2.34
	Capital reserve	0.60	0.60
		43.43	43.43
III	General Reserve		
	Balance as at the beginning of the year	150.16	152.21
	Add: Adjustment during the year	0.36	(2.05)
	Balance as at the end of the year	150.52	150.16
IV	Share based payments reserve		
	Balance as at the beginning of the year	-	-
	Add: Share based payment expenses	3.70	-
	Balance as at the end of the year	3.70	-

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18. OTHER EQUITY Contd..)

S. no.	Particulars	₹ crores	As at March 31, 2025	As at March 31, 2024
V	Retained Earnings			
	Balance as at the beginning of the year	1,184.64	887.09	
	Add: Profit for the year	591.24	414.95	
	Less : Other comprehensive Income for the year (net of tax) [Re-measurement gains/(losses) on defined benefit plans]	(1.56)	(1.83)	
	Less: Dividend	(143.92)	(115.58)	
	Balance as at the end of the year	1,630.39	1,184.64	
VI	Foreign currency translation reserve			
	Balance as at the beginning of the year	16.69	15.57	
	Add: Income for the year (net of tax)	5.12	1.12	
	Balance as at the end of the year	21.81	16.69	
	Total other equity	3,023.90	2,568.96	

- (I) **Securities premium** – Where the Parent issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Reserve". The Parent may issue fully paid-up bonus shares to its members out of the securities premium reserve and Parent can use this reserve for buy-back of shares.
- (II) **Share based payment** - The Parent has an employee share option scheme under which options to subscribe for the Parents shares have been granted to the key employees and directors. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to the key employees and directors as part of their remuneration. Refer to Note 54 for further details of the scheme.
- (III) **Capital redemption reserve** - Capital redemption reserve was created for buy-back of shares.
- (IV) **Capital subsidy received from government** – The subsidy was received against the factory setup in the state of Himachal Pradesh for the year ended March 31, 2009 and year ended 2013.
- (V) **General reserve** - General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of bonus shares.
- (VI) **Retained earnings** - The amount that can be distributed by the Group 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 entirely.
- (VII) **Exchange difference on translation of foreign operations through other comprehensive income** - For the purpose of consolidation of subsidiaries with the financial statement of the holding Company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year.
- (VIII) **Capital Reserve** – This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Notes to Consolidated Financial Statements

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19. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Dividend declared and paid during the year :		
Final dividend for the year ended March 31, 2024 : ₹ 7 per share (March 31, 2023 : ₹ 6 per share)	143.92	115.58
Total dividend declared and paid	143.92	115.58
Proposed dividend on equity shares :		
Final dividend recommended by the board of directors for the year ended March 31, 2025 : ₹ 9 per equity share (March 31, 2024 : ₹ 7 per equity share) subject to approval at the ensuing annual general meeting	185.05	143.92

20. BORROWINGS

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Current Borrowings		
Unsecured		
Short term loan from Bank (note a)	50.00	-
Working capital demand loan (note a and b)	45.00	-
Commercial papers		
From banks (note c)	98.90	99.78
Packing credit loan account from banks (note a)	-	50.58
Cash credit / bank overdrafts (note a)	5.46	16.26
Total current borrowings	199.36	166.62
Aggregate unsecured loans	199.36	166.62
Total borrowings	199.36	166.62

- a. Outstanding loans carry an interest rate ranging from 7.44% to 7.46% p.a. (March 31, 2024 : 5.21% - 5.50% p.a.).
- b. The Group has been sanctioned working capital limits from banks on the basis of security of current assets. 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 Parent Company and its subsidiaries with such banks are in agreement with the unaudited books of account of the Parent Company and its subsidiaries of the respective quarters and no material differences exist. The Group has not been sanctioned any working capital facility from financial institutions.
- c. Commercial papers carry average interest rate 7.45% @ p.a. for the current year (March 31, 2024 : 8.0% p.a.). These are repayable within 60 days from the date of drawdown.
- d. The group has not been declared as wilful defaulter by any bank, financial institutions or other lender.
- e. The group has utilised the funds borrowed from banks and financial institution for the purpose it was taken.
- f. The group has not received any fund from any person or entity, including foreign entities with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

21. TRADE PAYABLES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises	267.98	227.89
Total outstanding dues of creditors other than micro and small enterprises	3,159.64	2,388.71
Total trade payables	3,427.62	2,616.60

Ageing of payables

Particulars	₹ crores				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
Acceptances	501.27				
Undisputed					
Dues to micro and small enterprises	243.26	21.24	1.78	0.48	1.22
Dues of creditors other than micro and small enterprises	1,999.22	627.57	13.25	7.56	10.35
	2,743.75	648.81	15.03	8.04	11.57
Disputed					
Dues to micro and small enterprises	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	0.08	0.34
	-	-	-	0.08	0.34
Total payables	2,743.75	648.81	15.03	8.12	11.91

Particulars	₹ crores				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
Acceptances	348.61				
Undisputed					
Dues to micro and small enterprises	189.47	36.41	0.57	0.78	0.66
Dues of creditors other than micro and small enterprises	1,701.36	313.99	14.73	3.30	6.41
	2,239.44	350.40	15.30	4.08	7.07
Disputed					
Dues to micro and small enterprises	-	-	-	-	0.31
Dues of creditors other than micro and small enterprises	-	-	-	-	-
	-	-	-	-	0.31
Total payables	2,239.44	350.40	15.30	4.08	7.38

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for the year ended March 31, 2025

22. 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
	₹ crores		₹ crores	
Lease Liabilities	138.69	54.53	42.95	21.78
Total lease liabilities	138.69	54.53	42.95	21.78

Movement in lease liabilities	As at March 31, 2025		As at March 31, 2024	
	Balance as at the beginning of the year	76.31	84.31	
	₹ crores			
Addition during the year		121.70		7.54
Add: Interest for the year		11.74		7.91
Less : Paid during the year		(28.11)		(23.45)
Balance as at the end of the year		181.64		76.31

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	₹ crores			
Lease liabilities				
Upto 3 months		14.39		6.78
3 -6 months		14.39		6.64
6-12 months		28.75		14.32
1-3 years		97.01		36.36
3-5 years		70.02		20.78
Above 5 years		21.07		14.93
Total undiscounted lease liabilities		245.63		99.81

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			
Amounts recognised in the Statement of Profit and Loss				
Depreciation expenses		23.44		17.99
Interest on lease liabilities		11.74		7.91
Expense relating to short term lease		2.17		4.37
Expense relating to lease of low value assets		5.96		0.65
Variable lease payments		80.66		72.63
Amounts recognised in statement of cash flow				
Total cash outflow for leases		(28.11)		(23.45)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

22. LEASE LIABILITIES (Contd..)

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

Variable lease payments

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

Extension and termination options

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

23. OTHER FINANCIAL LIABILITIES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Derivatives not designated as hedges		
Foreign exchange forward contracts*	3.12	-
Financial liabilities at amortised cost		
Other deposits	9.95	9.10
Unpaid dividend (refer note "a" below and note 15)	3.62	3.61
Payable for capital goods	47.24	39.10
Total other financial liabilities	63.93	51.81

*Foreign exchange forward contracts

The Group 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.

(a) Unpaid Dividend

Dividend	₹ crores	
	As at March 31, 2025	As at March 31, 2024
2016-17 (Final)	-	0.65
2017-18 (Final)	0.61	0.65
2018-19 (Final)	0.51	0.58
2019-20 (Interim)	0.49	0.57
2020-21 (Final)	0.17	0.20
2021-22 (Final)	0.40	0.46
2022-23 (Final)	0.46	0.50
2023-24 (Final)	0.98	-
Total	3.62	3.61

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

24A. OTHER LIABILITIES

Particulars	Non-current		Current		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Advances from customers	-	-	595.38	468.98	
Dues to statutory bodies	39.86	28.92	120.46	169.49	
Others (Retirals benefit payable, customer credit balance)	-	-	38.58	19.02	
Total other liabilities	39.86	28.92	754.42	657.49	

24B. CONTRACT LIABILITIES

Particulars	Non-current		Current		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Contract liabilities from construction contracts	-	-	165.60	127.78	
Contract liabilities from annual maintenance contract services	11.28	13.49	104.29	94.67	
Total other liabilities	11.28	13.49	269.89	222.45	

25. PROVISIONS

Particulars	Non-current		Current		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Provision for employee benefits					
Provision for gratuity (refer note 37)	2.20	-	-	4.47	
Compensated absences	-	-	24.85	20.98	
Provision for other employment benefits	-	-	5.71	6.69	
Additional gratuity (refer note 37)	0.44	0.44	0.14	0.09	
	2.64	0.44	30.70	32.23	
Other provisions					
Provision for customer warranties	22.67	15.49	68.30	29.19	
Provision for foreseeable loss	-	-	1.06	2.90	
Provision for obligation towards guarantee given	-	-	1.09	1.09	
Other provisions	-	-	9.93	11.45	
	22.67	15.49	80.38	44.63	
Total provisions	25.31	15.93	111.08	76.86	

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

25. PROVISIONS (Contd..)

Provision for warranties

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	44.68	36.34
Add : Additional provisions made during the year	110.15	36.86
Less : Amount used during the year	(62.13)	(27.85)
Add / (less) : Effect of change in provision on account of discounting during the year	(1.73)	(0.67)
Balance as at the end of the year	90.97	44.68
Current portion	68.30	29.19
Non-current portion	22.67	15.49

Provision for service warranties relates mainly for goods sold during the year ended March 31, 2025 and March 31, 2024. The provision has been based upon historical warranty data. The above values are for standard manufacturing warranty and which are usually expected to be settled between 0 to 10 years from the date of sale of product based on the component type offered by the Group.

Other provisions movement for the year ended March 31, 2025

Particulars	₹ crores		
	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	2.90	1.09	11.45
Add : Additional provisions made during the year	14.84	-	-
Less : Utilised / reversed during the year	(16.68)	-	(1.52)
Balance as at the end of the year	1.06	1.09	9.93

Other provisions movement for the year ended March 31, 2024

Particulars	₹ crores		
	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	2.31	1.09	9.33
Add : Additional provisions made during the year	6.99	-	2.12
Less : Utilised / reversed during the year	(6.40)	-	-
Balance as at the end of the year	2.90	1.09	11.45

Foreseeable Loss

A provision for foreseeable loss on contract with customers is recognised when it is probable that the contract cost will exceed the total contract revenue or when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

Other Provision

The Group has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur / pay for which the obligating event has already arisen as on the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

26. GOVERNMENT GRANTS

Government Grants movement for the year ended March 31, 2025 and March 31, 2024

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	8.83	8.65
Add : Additions during the year	12.30	2.82
Less : Amortised during the year	(2.71)	(2.64)
Balance as at the end of the year	18.42	8.83
Current	1.52	1.17
Non-current	16.90	7.66

Government grants are towards the purchase of certain items of property, plant and equipment.

27. 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 / Income tax liabilities (net of provisions)

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	55.65	53.98
Less: Current tax payable for the year	(188.35)	(134.32)
Add: Taxes paid	181.58	136.03
Less : Consol adjustment	0.09	(0.04)
Balance as at the end of the year	48.97	55.65

(b) Deferred tax assets / Deferred tax liabilities

The breakup of Deferred tax asset is as follows:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Deferred tax asset - [A]		
Provision for loss allowance	37.09	32.39
Provisions made disallowed and allowed only on payment basis	26.14	20.47
Business loss/ unabsorbed depreciation	-	1.90
Differences between book and tax depreciation	-	0.05
Lease Liabilities	46.97	19.25
Security Deposit on ROU	1.05	(0.26)
Others (ROU, ICDS adjustments, etc.)	6.68	4.80
Deferred tax liability - [B]		
Differences between book and tax depreciation	(78.93)	(61.36)
Right of use assets	(43.55)	(16.89)
Others (ROU, ICDS adjustments, etc.)	-	(0.05)
Deferred tax asset / (Deferred tax liabilities) (net) - [A-B]	(4.55)	0.30

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

27. INCOME TAX (Contd..)

Movement in deferred tax assets / deferred tax liabilities (net)

₹ crores

Particulars	Charge/ (Credit) to Statement of P&L		Charge/ (Credit) to OCI	
	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
Deferred tax asset -				
Provision for loss allowance	(4.70)	(4.17)	-	-
Provisions made disallowed and allowed only on payment basis	(5.64)	(11.32)	-	-
Business loss/ unabsorbed depreciation	1.93	(0.28)	-	-
Differences between book and tax depreciation	0.05	(0.07)	-	-
Lease Liabilities	(27.72)	19.25	-	-
Security Deposit on ROU	(1.31)	(0.26)	-	-
Others (ICDS adjustments)	(2.92)	(4.13)	-	(0.01)
Deferred tax liability -				
Differences between book and tax depreciation	17.56	25.80	-	-
Right of use assets	26.66	(16.89)	-	-
Others (ICDS adjustments)	0.87	0.03	-	-
Total	4.78	7.96	-	(0.01)

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

₹ crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	
		2025	2024
Accounting profit before Income tax	784.93	557.16	
Income tax at India's statutory income tax rate of 25.168% (March 31, 2024): 25.168%)	197.55	140.20	
Expenses not allowed for tax purpose	4.29	3.04	
Additional allowances for tax purpose	(0.90)	(0.14)	
Savings due to tax paid at lower or nil rate	(7.82)	4.05	
Tax saving on account of lower tax rate on long term capital gain	(0.77)	-	
Others	1.29	(4.30)	
Income tax at effective tax rate	193.65	142.85	

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

27. INCOME TAX (Contd..)

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

Particulars	₹ crores	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Current tax			
Current tax on profit for the year	188.87	134.89	
Total current tax expense	188.87	134.89	
ii) Deferred tax			
(Decrease)/Increase in deferred tax liabilities	45.09	8.94	
Decrease/(Increase) in deferred tax assets	(37.40)	(0.98)	
Consol adjustment	(2.91)	-	
Total deferred tax expense/(benefit)	4.78	7.96	
Income tax expense	193.65	142.85	

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

Particulars	₹ crores	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Current tax			
Remeasurement gain/(loss) on defined benefit plans	(0.52)	(0.58)	
Total current tax expense	(0.52)	(0.58)	
ii) Deferred tax			
Fair value of equity investment	-	-	
Effective portion of gain/(loss) on cash flow hedges	-	-	
Total deferred tax expense/(benefit)	(0.52)	(0.58)	
Income tax expense	(0.52)	(0.58)	

28. REVENUE FROM OPERATIONS

Particulars	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from operations			
Sale of products	7,979.02	6,376.12	
Revenue from construction contracts	3,038.77	2,449.91	
Sale of services	834.90	749.62	
Other operating revenue			
- Commission income	2.51	1.10	
- Provisions and liabilities no longer required	29.69	53.32	
- Production linked incentive	12.00	6.00	
- Scrap sales	48.25	35.73	
- Others (Includes export benefits, duty drawbacks, etc.)	22.51	13.56	
Total revenue from operations	11,967.65	9,685.36	

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

29. OTHER INCOME

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest income		
Financial instruments measured as amortised cost		
- Bank deposits	8.78	5.96
- Others	6.24	1.54
Other non-operating income		
Rental income	0.52	0.50
Gain on investment measured at FVTPL	34.89	17.88
Amortisation of government grant	2.71	2.63
Grant related to income	-	2.74
Fair value gain on financial instruments designated as FVTPL	-	1.36
Others (Income from bill discounting, interest on refund of direct tax, etc.)	21.86	14.81
Total other income	75.00	47.42

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

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cost of material consumed		
Cost of material consumed	4,844.48	3,590.32
Project cost (including bought outs)	2,621.76	2,123.64
AMC subcontracting and other service cost	477.56	432.52
Total cost of material consumed (including direct project and service cost)	7,943.80	6,146.48
Purchase of stock-in-trade		
Inventories at the end of the year	1,411.83	1,161.80
Traded goods	493.91	324.10
Work-in-progress	154.68	120.10
Finished goods	374.00	297.10
	1,022.59	741.30
Inventories at the beginning of the year		
Traded goods	324.10	427.45
Work-in-progress	120.10	101.27
Finished goods	297.10	296.29
	741.30	825.01
Total change in inventories of finished goods, work-in-progress and stock-in-trade	(281.29)	83.69

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

31. EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year ended March 31, 2025	₹ crores	For the Year ended March 31, 2024
Salaries, wages and bonus	816.54		670.92
Contribution to provident and other funds	25.58		22.38
Gratuity expense (refer note 37)	6.70		5.24
Staff welfare expenses	66.35		50.94
Share based payment to employees (refer note 54)	3.70		-
Total employee benefit expense	918.87		749.48

32. FINANCE COSTS

Particulars	For the Year ended March 31, 2025	₹ crores	For the Year ended March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost.	-		
(a) Interest on non convertible debenture	-		2.33
(b) Interest on other borrowings (refer note below)	22.06		36.04
(c) Interest on lease liabilities	11.74		7.91
(d) Other interest expenses.	6.05		4.85
Bank charges	8.95		6.95
Total finance costs	48.80		58.08

Note: The amount of borrowing cost capitalised during the year ended March 31, 2025 is ₹ NIL (The amount of borrowing cost capitalised during the previous year ended March 31, 2024 is ₹ 1.74 crores. The rate used to determine the amount of borrowing cost eligible for capitalisation was 1.2% which is effective interest rate of the specific borrowing).

33. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2025	₹ crores	For the Year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 4)*	80.62		58.56
Depreciation on right-of-use of asset (refer note 7)*	23.44		17.99
Amortisation expenses on intangible assets (refer note 8A)	23.80		20.46
Depreciation on investment properties (refer note 6)	0.51		0.60
Total depreciation and amortisation expense	128.37		97.61

* Depreciation on property, plant and equipment for March 31, 2025 ₹ 6.44 Crores (March 31, 2024 ₹ 4.38 Crores) and right-of-use assets for March 31, 2025 ₹ 3.52 Crores (March 31, 2024 ₹ NIL) are net off capitalisation towards research and development expenditure.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

34. OTHER EXPENSES

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Stores and spares consumed	39.10	29.19
Power and fuel	29.24	23.20
Rent	88.79	77.90
Repairs and maintenance		
Buildings	12.22	7.31
Plant and machinery	20.70	11.57
Others	44.63	34.58
Insurance	12.56	7.01
Rates and taxes	5.35	2.11
Advertising expenses	79.71	75.83
Sales promotion expenses	99.22	79.15
Freight and forwarding charges	163.45	130.36
Legal and professional fees	120.57	85.87
E-waste expenses	25.76	7.77
Travelling and conveyance	86.30	74.84
Commission and sale incentives	61.00	41.12
Warranty Cost	76.69	41.56
Printing and stationery	4.77	4.94
Payment to auditors	4.65	3.91
Corporate social responsibility expenses	8.13	4.70
Donations	0.98	0.64
Loss on sale of property, plant and equipment (net)	4.55	3.67
Foreign exchange differences (Net) (including fair value impact on financial instruments at fair value through profit or loss)	11.83	3.74
Fair value gain on financial instruments designated as FVTPL	1.36	-
Bad debts / advances written off	19.97	
Less : Provision for bad debts	(18.44)	1.53
Allowances for doubtful debts and advances		3.51
Allowances for doubtful retention		40.79
Miscellaneous expenses		56.08
Total other expenses	1,098.52	878.97

Note :

The above other expenses is net off grant received from Mr. Ashok M. Advani (promoter) to boost research and development activities of the Parent Company.

35. EXCEPTIONAL ITEMS

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit on sale of investment property	12.51	-
Exceptional Items	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

During the year, Blue Star Engineering & Electronics Limited, wholly owned subsidiary of Blue Star Limited ("the Holding Company") has sold property, which has resulted in book profit of ₹.12.51 crores (₹.10.37 Crores net of tax) and the same has been reported as exceptional income.

36. EARNING PER SHARE (EPS)

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

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit attributable to equity holders of the Company (₹ in Crores)	591.28	414.31
Weighted average number of equity shares outstanding	20,56,14,788	19,94,40,635
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	28.76	20.77

Note:

- a. Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Parent has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.
- b. The Parent raised capital of ₹ 1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Parent, at its meeting held on September 22, 2023, approved the issue of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹ 768 per equity share).

37. EMPLOYEE BENEFITS

Defined benefit plans

a. Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The Group contributes all ascertained liabilities to the Gratuity Fund Trust (the Trust).

The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised as net profit in the profit or loss. The Group expects to contribute ₹ 7.01 crore to gratuity fund in FY 2025-26 (FY 2024-25 - ₹ 6.86 crore)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. EMPLOYEE BENEFITS (Contd..)

Change in present value of defined benefit obligation

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation at the beginning of the year	57.46	50.94	0.53	0.49
Current service cost	6.24	5.07	0.02	0.02
Interest cost	3.99	3.63	0.04	0.04
Benefits paid	(3.62)	(4.60)	(0.02)	(0.02)
Acquisition adjustment				
Remeasurements				
a. Due to change in demographic assumptions	-	0.01	-	-
b. Due to change in financial assumptions	2.21	0.58	0.02	0.01
c. Due to experience adjustments	4.28	1.83	(0.01)	(0.02)
Defined benefit obligation at the end of the year	70.56	57.46	0.58	0.53

Change in fair value of plan assets

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	52.99	47.84	-	-
Expected return on plan assets	3.79	3.53	-	-
Contribution	10.80	6.21	-	-
Benefits paid	(3.63)	(4.59)	-	-
Return on assets	4.41	-	-	-
Fair value of plan assets at the end of the year	68.36	52.99	-	-

Components of defined benefit cost recognised in Statement of Profit and Loss

Particulars	Gratuity (Funded)		Additional Gratuity	
	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
Current service cost	6.24	5.07	0.02	0.02
Interest Cost	3.99	3.40	0.04	0.04
Expected return on plan assets	(3.59)	(3.29)	-	-
Defined benefit cost recognized in Profit or Loss	6.64	5.18	0.06	0.06
Components of defined benefit cost recognized in Other Comprehensive Income				
a. Due to change in demographic assumptions	-	0.01	-	-
b. Due to change in financial assumptions	2.20	0.58	0.02	0.01
c. Due to change in experience adjustments	4.28	1.83	(0.01)	(0.02)
d. (Return) on plan assets (excl. amount recognised in net interest)	(4.41)	-	-	-
Remeasurements recognized in other comprehensive income (OCI)	2.07	2.42	0.01	(0.01)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. EMPLOYEE BENEFITS (Contd..)

Net assets / liability recognised in the Consolidated Balance Sheet

Particulars	Gratuity (Funded)		Additional Gratuity		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Defined benefit obligation	70.56	57.46	0.58	0.53	
Fair value of plan assets	68.36	52.99	-	-	
Net defined benefit liability	2.20	4.47	0.58	0.53	

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	0.10	0.05
Insurance company products	65.55	51.20
Others	2.71	1.74
Total	68.36	52.99

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

Actuarial assumptions	Gratuity (Funded)		Additional Gratuity	
	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
Discount rate	6.50%	7.15%	6.50%	7.15%
Disability rate	5% of IALM 2012-14	5% of IALM 2012-14	5% of IALM 2012-14	5% of IALM 2012-14
Normal retirement age	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others
Mortality rate	100% of IALM 2012-14"	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Management-Staff-Directors)	10%,7%,3%	10%,7%,3%	-	10%,7%,3%
Attrition rate	15%	14%	15%	14%

Risk analysis

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

Liquidity risk: This is the risk that the Group 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. EMPLOYEE BENEFITS (Contd..)

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

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

Asset liability mismatching or market risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities / fall in interest rate.

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

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

Assumptions	₹ crores			
	Gratuity (Funded)		Additional Gratuity	
	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
Decrease in discount Rate (0.5%)	70.76	57.29	0.59	0.54
Increase in discount Rate (0.5%)	67.25	54.50	0.56	0.52
Decrease in salary growth rate (0.5%)	67.25	54.49	-	-
Increase in salary growth rate (0.5%)	70.74	57.29	-	-
Decrease in attrition Rate (1%)	69.20	55.91	0.55	0.49
Increase in attrition Rate (1%)	68.74	55.81	0.58	0.54
Decrease in mortality rate (10%)	68.96	55.86	0.58	0.53
Increase in mortality rate (10%)	68.96	55.86	0.58	0.53

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

Maturity profile of defined benefit obligation

Expected cash flows (valued on undiscounted basis)	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Gratuity (Funded)	Additional Gratuity	Gratuity (Funded)	Additional Gratuity
1 year	14.71	0.10	11.34	0.09
2 to 5 years	35.32	0.31	30.61	0.31
6 to 10 years	27.30	0.24	22.96	0.23
More than 10 years	24.05	0.20	20.48	0.19
Total	101.38	0.85	85.39	0.82

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. EMPLOYEE BENEFITS (Contd..)

b. Provident Fund

Eligible employees of the Parent receive benefits from provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Parent contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Parent has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The actuary has provided a valuation and according thereto, there is no shortfall as at March 31, 2025. The Parent's contribution to the Employee's Provident fund aggregates to ₹ 15.08 crores (March 31, 2024 : ₹ 12.10 crores).

The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Parent has made for an estimated amount, provision on a prospective basis.

The details of the Blue Star Office Provident Fund and plan assets position are given below :

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at period end	316.54	278.14
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	314.53	277.04

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	0.63	1.11
Insurance company products	-	-
Others	313.90	275.93
Total plan assets	314.53	277.04

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. EMPLOYEE BENEFITS (Contd..)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Discounting Rate	7.15%	6.50%
Expected Guaranteed interest rate	8.25%	8.25%
Average Historic Yield on the Investment (per annum)	7.25%	7.23%
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Disability Rate (% of IALM 2012-14)	5.00%	5.00%
Attrition Rate / Withdrawal rate of fund for Active Employees (per annum)	15.00%	15.00%
Expected rate of exit of inactive records from scheme / Withdrawal rate of fund for Inactive Employees (p.a.)	100.00%	100.00%

Particulars	₹ crores			
	As at March 31, 2025		As at March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	317.45	317.23	278.20	278.08
Interest rate guarantee (-/+ 0.5%)	314.22	320.82	276.34	280.85

* Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2023-24 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.25% for FY 2024-25.

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. Additional Gratuity

Additional Gratuity is payable as per the specific rules of the company i.e. ₹ 5,000 for staff and ₹ 10,000 for managers subject to qualifying service of 15 years.

38. COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Claims against the Group not acknowledged as debts	0.90	2.65
Sales tax matters	11.52	22.57
Excise duty matters	4.31	4.90
Service tax matters	27.65	30.39
Income tax matters	133.01	150.87
GST matters	24.65	12.69
Total contingent liabilities	202.04	224.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

38. COMMITMENTS AND CONTINGENCIES (Contd..)

b. Commitments

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

At March 31, 2025, Group had commitments (net of advances) of ₹ 156.26 Crores (March 31, 2024: ₹ 131.11 Crores).

- c.** The Group has an obligation to complete the Extended Producer Responsibility (EPR) targets, only if it is a participant in the market during the financial year in accordance with the E-Waste (Management) Rules, 2016, as amended. The Group has fulfilled its obligation for the current financial year. The Group will have an e-waste obligation for future years, only if it participates in the market in those years.

d. Uncertain tax position

The uncertain tax position as on March 31, 2025 is ₹. 8.06 crores (March 31, 2024 : ₹. 6.85 crores).

39. DISCLOSURE FOR RELATED PARTY

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", [under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)], as disclosed below:-

A Name of related parties (Where transactions have taken place during the year and previous year / balance outstanding)

1 Joint Ventures

Blue Star M & E Engineering (Sdn) Bhd
Blue Star Oman Electro-Mechanical Co. LLC*

2 Key Management Personnel

Mr. Vir S. Advani (Chairman and Managing Director)
Mr. B Thiagarajan (Managing Director)
Mr. Nikhil Sohoni (Group Chief Financial Officer)
Mr. Rajesh Parte (Company Secretary and Compliance Officer)
Mr. Shailesh Haribhakti (Independent director)(Till March 31, 2024)
Mr. Rajiv Lulla (Non-executive director)
Mr. Dinesh Vaswani (Non-executive director)
Mr. Sam Balsara (Independent director)
Mr. Anil Harish (Independent director)
Mr. Arvind K Singhal (Independent director)
Ms. Sunaina Murthy (Non-executive director)
Ms. Anita Ramchandran (Independent director)
Mr. Murlidhar Gangadharan (Independent director) (Since January 30, 2024)
Mr. Vipin Sondhi (Independent director) (Since January 30, 2024)
Mr P Venkat Rao (Executive Director) (Since August 07, 2024)

3 Close member of key management personnel

Mr. Suneel M. Advani (Father of Vir S. Advani)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

39. DISCLOSURE FOR RELATED PARTY (Contd..)

4 Enterprises in which a Director is / was a member / director / trustee during the year with whom Group had transactions and / or balances.

M/s SMA Associates
 National Skill Development Corporation
 Swift Audio Video Entertainments Private Limited
 Madison Specialist Communications LLP
 Madison Communications Private Limited
 MOMS Outdoor Media Solutions Private Limited
 Platinum Communications Private Limited
 Out-Sel Promotions India Private Limited
 Cerebrus Consultants Private Limited
 TVS Mobility Private Limited
 IBS Fintech India Private Limited

5 Post-employee benefit entities

Blue Star Employee Welfare Trust
 Blue Star Helpline Trust
 Blue Star Sahayata Foundation
 Mohan T Advani Education Trust
 Blue Star Employees Provident Fund
 Blue Star Employees Gratuity Fund
 Blue Star Staff Superannuation Scheme
 Blue Star Esop Trust
 Blue Star Foundation

*The Parent holds 51% of the share capital of Blue Star Oman Electro-Mechanical Co. LLC, however the profit sharing is on 50-50 basis and it is treated as joint venture under Ind AS 110.

B. Transactions for the year ended March 31, 2025 and March 31, 2024 with Related Parties are as under:

Particulars	₹ crores					
	Joint Ventures		Other Related Parties		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Sale of goods / rendering of services						
Madison Communications Private Limited	-	-	0.26	0.52	0.26	0.52
MOMS Outdoor Media Solutions Private Limited	-	-	0.02	-	0.02	-
Platinum Communications Private Limited	-	-	*	-	*	-
TVS Mobility Private Limited	-	-	0.73	-	0.73	-
Madison Specialist Communications LLP	-	-	0.01	-	0.01	-
Out-Sel Promotions India Private Limited	-	-	0.01	-	0.01	-
Swift Audio Video Entertainments Private Limited	-	-	0.01	-	0.01	-
National Skill Development Corporation	-	-	0.02	-	0.02	-
Total	-	-	1.06	0.52	1.06	0.52

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

39. DISCLOSURE FOR RELATED PARTY (Contd..)

₹ crores

Particulars	Joint Ventures		Other Related Parties		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Purchase of goods / receipt of services						
Moms Outdoor Media Solutions Private Limited	-	-	4.07	5.57	4.07	5.57
Madison Communications Private Limited	-	-	45.13	30.09	45.13	30.09
IBS Fintech India Private Limited	-	-	-	0.15	-	0.15
Cerebrus Consultants Private Limited	-	-	0.04	0.06	0.04	0.06
Total	-	-	49.24	35.87	49.24	35.87
Reimbursement of expenses incurred on our behalf by						
Blue Star M & E Engineering (Sdn) Bhd	-	0.25	-	-	-	0.25
Blue Star Foundation	-	-	-	0.37	-	0.37
Total	-	0.25	-	0.37	-	0.62
Donation / CSR expenses						
Blue Star Foundation	-	-	1.55	1.10	1.55	1.10
Total	-	-	1.55	1.10	1.55	1.10
Fees for professional services						
M/s SMA Associates	-	-	0.30	0.30	0.30	0.30
Total	-	-	0.30	0.30	0.30	0.30
Trust Contribution						
Blue Star Provident Fund Trust	-	-	33.80	27.57	33.80	27.57
Blue Star Gratuity Trust	-	-	9.58	5.66	9.58	5.66
Blue Star Super Annuation Trust	-	-	1.74	1.45	1.74	1.45
Total	-	-	45.12	34.68	45.12	34.68

Compensation to key management personnel:

₹ crores

Nature of Transaction	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Short-term employee benefits including commission	38.68	25.42
Post-employee benefits	1.65	0.98
Commission to non-executive and independent directors	1.92	2.00
Sitting fees	0.64	0.64
Shared based payment	1.60	-
Total compensation to key management personnel	44.49	29.04

* Indicates amount less than ₹ 1 Lakh.

Notes :

- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.
- The transactions are inclusive of taxes wherever applicable.
- The transactions are disclosed under various relationships (i.e. joint ventures and other related parties) based on the status of related parties on the date of transactions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

39. DISCLOSURE FOR RELATED PARTY (Contd..)

C. Amount due to / from related parties :

Particulars	₹ crores					
	Joint Ventures		Other Related Parties		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Trade payables						
Madison Communications Private Limited	-	-	15.27	0.84	15.27	0.84
IBS Fintech India Private Limited	-	-	-	0.02	-	0.02
Cerebrus Consultants Private Limited	-	-	-	0.02	-	0.02
MOMS Outdoor Media Solutions Private Limited	-	-	1.15	1.18	1.15	1.18
Total	-	-	16.42	2.06	16.42	2.06
Other Payables						
Blue Star Provident Fund Trust	-	-	-	2.45	-	2.45
Blue Star Super Annuation Trust	-	-	-	0.12	-	0.12
Blue Star Gratuity Trust	-	-	-	3.58	-	3.58
Total	-	-	-	6.15	-	6.15
Trade receivables						
Madison Communications Private Limited	-	-	-	0.01	0.01	0.01
Moms Outdoor Media Solutions Private Limited	-	-	0.01	-	-	-
TVS Mobility Private Limited	-	-	0.11	-	0.11	-
Total	-	-	0.12	0.01	0.12	0.01
Other Receivable						
Blue Star Oman Electromechanical Co. LLC # (refer note below)	4.46	4.46	-	-	4.46	4.46
Total	4.46	4.46	-	-	4.46	4.46

fully provided for Allowance for doubtful loan

Note :

W.J. Towell & Co LLC ('WJT'), an entity based in Oman, one of our Joint Venture partner in "Blue Star Oman Electro-Mechanical Company LLC" (a Joint Venture Company), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, has filed arbitration proceedings against the Company with International Chamber of Commerce ('ICC'). The statement of claim filed by WJT stands at OMR 2,11,80,748 (approx. Rs 461.74 crores). In the opinion of the Company the claims filed by WJT are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company has filed its statement of defence with the ICC.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. SEGMENT INFORMATION

A. Primary segment reporting (by business segment)

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Group is organized into business units based on its products and services and has 3 reportable segments as follows:

- a. Electro Mechanical Projects and Commercial Air-conditioning Systems includes central air-conditioning projects, Electrical Contracting business and Packaged air-conditioning businesses including manufacturing and after sales service.
- b. Unitary Products includes cooling appliances, cold storage products, including manufacturing and after sales service.
- c. Professional Electronics and Industrial Systems includes trading and services for testing machines, medical, analytical, test and measuring, data communications, industrial products and systems.

I. Segment revenues, results and other information:

	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Segment revenue		
(a) Electro -mechanical projects and commercial air conditioning systems	5,997.99	4,715.46
(b) Unitary products	5,621.11	4,592.20
(c) Professional electronics and industrial systems	348.55	377.70
Total segment revenue	11,967.65	9,685.36
B. Segment result		
(a) Electro -mechanical projects and commercial air conditioning systems	490.88	341.09
(b) Unitary products	471.26	360.31
(c) Professional electronics and industrial systems	29.72	51.50
Total segment result	991.86	752.90
Less: (a) Finance cost	(48.80)	(58.08)
(b) Other un-allocable expenditure net of un-allocable Income	(169.31)	(138.15)
Profit before taxation	773.75	556.67

Notes to Consolidated Financial Statements

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40. SEGMENT INFORMATION (Contd..)

II. Other information

	₹ crores	
	As at March 31, 2025	As at March 31, 2024
A. Segment assets		
(a) Electro -mechanical projects and commercial air conditioning systems	3,731.01	2,706.46
(b) Unitary products	2,902.25	2,684.71
(c) Professional electronics and industrial systems	148.44	204.69
Total segment assets	6,781.70	5,595.86
Add: Un-allocable corporate assets	1,475.92	1,022.39
Total assets	8,257.62	6,618.25
B. Segment liabilities		
(a) Electro -mechanical projects and commercial air conditioning systems	2,707.36	2,041.88
(b) Unitary products	1,735.86	1,433.84
(c) Professional electronics and industrial systems	138.53	156.03
Total segment liabilities	4,581.75	3,631.75
Add: Un-allocable corporate liabilities	608.25	373.87
Total liabilities	5,190.00	4,005.62
C. Non-current assets (movement)		
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Electro -mechanical projects and commercial air conditioning systems	111.95	215.23
(b) Unitary products	182.61	168.31
(c) Professional electronics and industrial systems	3.21	4.25
(d) Un-allocable	122.33	45.44
Total non-current assets (movement)	420.10	433.23
D. Depreciation / amortisation		
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Electro -mechanical projects and commercial air conditioning systems	32.08	28.90
(b) Unitary products	64.61	46.89
(c) Professional electronics and industrial systems	1.84	1.16
(d) Un-allocable	29.84	20.66
Total depreciation / amortisation	128.37	97.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. SEGMENT INFORMATION (Contd..)

	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
E. Non cash expenses other than depreciation and amortisation			
(a) Electro -mechanical projects and commercial air conditioning systems		34.51	69.27
(b) Unitary products		6.00	2.03
(c) Professional electronics and industrial systems		2.21	0.42
(d) Un-allocable		4.48	1.62
Total non cash expenses other than depreciation and amortisation		47.20	73.34

	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
F. Interest Income			
(a) Electro -mechanical projects and commercial air conditioning systems		0.08	0.02
(b) Unitary products		-	-
(c) Professional electronics and industrial systems		-	-
(d) Un-allocable		14.94	7.48
Total interest income		15.02	7.50

B. Secondary segment information:

Particulars	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue (sales, services and commission) by geographical market			
India	11,192.49	9,094.90	
Outside India	775.16	590.46	
Total revenue (sales, services and commission)	11,967.65	9,685.36	
Carrying amount of non current assets			
India	1,700.93	1,361.94	
Outside India	60.82	58.96	
Total non current assets	1,761.75	1,420.90	

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

41. INTEREST IN OTHER ENTITIES

A. Subsidiary companies

The subsidiary companies of the Group as at March 31, 2025, are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Principal place of business	% of equity interest	
			As at March 31, 2025	As at March 31, 2024
Blue Star Engineering and Electronics Limited	Distribution and Maintenance of imported professional electronics and industrial systems and in the business of providing Plumbing and Fire Fighting Contracting Services,providing engineering services in the field of refrigerators and air conditioning, heating and ventilation and also renting of properties	India	100.00	100.00
Blue Star Climatech Limited	Manufacturer and Dealer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products.	India	100.00	100.00
Blue Star Qatar-WLL*	Designing , Engineering , Installation and Maintenance of Mechanical ,Electrical , Plumbing (MEP) contracts and all works related to heating ventilation and air conditioning systems.	Qatar	49.00	49.00
Blue Star MEA Airconditioning LLC	a. Air-condition and Refrigeration Spare Parts Trading b. Plumbing and Sanitary Installation c. Air-Conditioning, Ventilations and Air Filtration Systems	UAE	100.00	100.00
BSL AC&R (SINGAPORE) PTE. LTD.	Importer and exporter of Airconditioning, Ventilation, Air Filtration System.	Singapore	100.00	100.00
Blue Star International FZCO	Air conditioning, refrigeration and cold storage materials, spare parts and equipment Trading	UAE	100.00	100.00
Blue Star North America INC	Designing , Manufacturing,Trading and installation of Air Conditioning, Heating and Cooling Equipments.	USA	100.00	100.00
Blue Star Innovation Japan LLC		Japan	100.00	100.00
Blue Star Europe BV	Designing , Manufacturing,Trading and installation of Air Conditioning, Heating and Cooling Equipments.	Netherlands	100.00	100.00
Blue Star Air Conditioning & Refrigeration (U) Limited	Air conditioning, refrigeration and cold storage materials, spare parts and equipment Trading	Uganda	100.00	100.00

* The Parent holds 49% of the share capital in Blue Star Qatar WLL (BSQ). Upon assessment of control over BSQ, the Parent has concluded that the said Parent is a subsidiary of the Parent under Ind AS 110.

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for the year ended March 31, 2025

41. INTEREST IN OTHER ENTITIES (Contd..)

B. Interest in joint venture Parent accounted for using the equity method

Joint venture	Principal activities	Country of Incorporation	% Shareholding		₹ crores
			As at March 31, 2025	As at March 31, 2024	
Foreign Joint Venture- Jointly Controlled Entity					
Blue Star M & E Engineering (Sdn) Bhd	Mechanical, electrical and plumbing contracting which include operation and maintenance of heating, ventilation and air conditioning.	Malaysia	49%	49%	
Carrying amount of Investment (₹ Crores)			17.94	17.88	

Blue Star M & E Engineering (Sdn) Bhd

Summarized Balance sheet as at March 31, 2025 and March 31, 2024:

Particulars	% crores	
	As at March 31, 2025	As at March 31, 2024
Current assets	55.85	56.06
Non-Current Assets	10.14	14.30
Current Liabilities	31.34	36.00
Non-current Liabilities	3.37	3.43
EQUITY	31.28	30.93

The above amount of the assets and liabilities include the following

Particulars	% crores	
	As at March 31, 2025	As at March 31, 2024
- Cash and Cash equivalents	3.74	2.08
- Current financial liabilities (excluding trade and other payables and provisions)	0.57	0.60
- Non Current financial liabilities (excluding trade and other payables and provisions)	-	0.13

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

41. INTEREST IN OTHER ENTITIES (Contd..)

Summarised statement of profit and loss for the year ended March 31, 2025 and March 31, 2024:

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue	61.54	82.88
Other Income	0.58	0.44
Cost of material consumed	53.68	75.25
Depreciation and amortization expenses	0.61	0.51
Finance cost	0.24	0.21
Employee benefits expenses	8.45	5.10
Other expenses	1.79	1.12
Profit / (loss) before tax	(2.65)	1.13
Income tax expense	0.06	0.13
Profit / (loss) for the year	(2.71)	1.00
Group's share of profit / (loss) for the year	(1.33)	0.49

Movement of investment in joint venture

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Investment in joint venture	17.88	18.22
Profit for the year	(1.33)	0.49
Foreign currency translation reserve	1.39	(0.83)
Investment in joint venture	17.94	17.88

Note:

W.J. Towell & Co LLC ('WJT'), an entity based in Oman, one of our Joint Venture partner in "Blue Star Oman Electro-Mechanical Company LLC" (a Joint Venture Company), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, has filed arbitration proceedings against the Company with International Chamber of Commerce ('ICC'). The statement of claim filed by WJT stands at OMR 2,11,80,748 (approx. ₹ 461.74 crores). In the opinion of the Company the claims filed by WJT are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company has filed its statement of defence with the ICC.

Notes to Consolidated Financial Statements

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42. DERIVATIVE INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE

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

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

Foreign currency	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency (in lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Particulars of derivatives				
Forward cover to purchase				
- USD	209.13	178.76	133.46	111.31
- CNY/RMB	855.18	100.50	619.19	71.10
- JPY	-	-	383.96	2.11
Forward cover to Sell				
- USD	-	-	10.00	8.34

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 lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Bank Balances				
AED	0.08	0.02	0.23	0.05
EUR	3.99	3.67	0.58	0.52
CNY/RMB	0.23	0.03	0.23	0.03
USD	25.18	21.52	15.38	12.83
CAD	#	*	-	-
Receivables				
AED	0.73	0.17	0.73	0.16
CAD	0.07	0.04	0.07	0.04
EUR	41.51	38.22	42.69	38.37
GBP	0.08	0.08	0.08	0.08
JPY	22.22	0.13	22.22	0.12
MYR	1.05	0.20	1.05	0.19
USD	126.60	108.21	97.42	81.25
SGD	#	*	-	-
Payables				
AED	3.87	0.90	0.94	0.21
CNY/RMB	91.70	10.78	3.22	0.37
EUR	21.02	19.36	17.82	16.02

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42. DERIVATIVE INSTRUMENTS AND FOREIGN CURRENCY EXPOSURE (Contd..)

Foreign currency	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency (in lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
JPY	1,158.08	6.57	1,361.93	7.50
MYR	0.03	0.01	0.03	0.01
GBP	0.07	0.08	0.86	0.90
CHF	#	*	-	-
USD	146.89	125.55	99.73	83.18
QAR	#	*	#	*
CAD	0.06	0.03	#	*
OMR	0.03	0.08	#	0.01
SGD	0.01	0.01	-	-

Indicates amount less than CAD, SGD, QAR, CHF and OMR 1 thousand

* Indicates amount less than ₹ 1 Lakh

- a. The above table does not include foreign currency exposure covered by derivative contracts as stated in (a) above although not specifically designated in hedge relationships.
- b. The un-hedged foreign currency exposures have been given in respect of currencies other than functional currency of the respective enterprises

43. FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS BY CATEGORY

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
Financial assets										
Investments (refer note 9)	414.12	-	-	414.12	414.12	266.80	-	-	266.80	266.80
Other financial assets (refer note 11)	-	-	75.09	75.09	75.09	1.52	-	63.73	65.25	65.25
Trade receivables (refer note 13)	-	-	1,959.37	1,959.37	1,959.37	-	-	1,952.56	1,952.56	1,952.56
Cash and cash equivalents (refer note 14)	-	-	425.59	425.59	425.59	-	-	373.64	373.64	373.64
Other bank balances (refer note 15)	-	-	6.33	6.33	6.33	-	-	3.73	3.73	3.73
Loans (refer note 10)	-	-	24.65	24.65	24.65	-	-	8.48	8.48	8.48
	414.12	-	2,491.03	2,905.15	2,905.15	268.32	-	2,402.14	2,670.46	2,670.46
Financial liabilities										
Borrowings (refer note 20)	-	-	199.36	199.36	199.36	-	-	166.62	166.62	166.62
Trade payables (refer note 21)	-	-	3,427.62	3,427.62	3,427.62	-	-	2,616.60	2,616.60	2,616.60
Other Financial Liabilities (refer note 23)	-	-	63.93	63.93	63.93	-	-	51.81	51.81	51.81
Lease liabilities (refer note 22)	-	-	181.64	181.64	181.64	-	-	76.31	76.31	76.31
	-	-	3,872.55	3,872.55	3,872.55	-	-	2,911.34	2,911.34	2,911.34

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.

Notes to Consolidated Financial Statements

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43. FINANCIAL INSTRUMENT (Contd..)

(B) FAIR VALUE HIERARCHY

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

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

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	As at March 31, 2025	17.75	-	-	17.75
Assets measured at fair value:					
Investment in mutual fund (refer note 9)	As at March 31, 2025	414.12	-	414.12	-
Derivatives contracts					
- Foreign exchange forward contracts (refer note 11 and 23)	As at March 31, 2025	3.12	-	3.12	-
- Commodity forward contracts (refer note 11)	As at March 31, 2025	-	-	-	-

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

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

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	As at March 31, 2024	35.99	-	-	35.99
Assets measured at fair value:					
Investment in mutual fund (refer note 9)	As at March 31, 2024	248.92	-	248.92	-
Derivatives contracts					
- Foreign exchange forward contracts (refer note 11)	As at March 31, 2024	0.16	-	0.16	-
- Commodity forward contracts (refer note 11)	As at March 31, 2024	1.36	-	1.36	-

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

Notes to Consolidated Financial Statements

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43. FINANCIAL INSTRUMENT (Contd..)

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

Valuation technique and key inputs used to determine fair value:

1. Level - 1:

Quoted market price in the active market for identical assets or liabilities.

2. Level - 2:

Mutual Fund - Quoted price in the active market

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

3. Level - 3:

Investment Property - Based on valuation report of independent valuer.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The Group enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange risk. The Group 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 includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

Notes to Consolidated Financial Statements

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

Foreign currency risk and sensitivity

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilising foreign exchange forward contracts.

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

Particulars	As at March 31, 2025				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (foreign currency)	Net exposure (₹ Crores)
Foreign currency					
USD	25.18	126.60	146.89	4.89	4.18
CNY/RMB	0.23	-	91.70	(91.47)	(10.75)
AED	0.08	0.73	3.87	(3.07)	(0.73)
EUR	3.99	41.51	21.02	24.48	22.54
MYR	-	1.05	0.03	1.02	0.20
JPY	-	22.22	1,158.08	(1,135.86)	(6.44)
CAD	-	0.07	0.06	0.01	0.01
OMR	-	-	0.03	(0.03)	(0.08)
GBP	-	0.08	0.07	0.00	0.00

Particulars	As at March 31, 2024				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (foreign currency)	Net exposure (₹ Crores)
Foreign currency					
USD	0.15	0.97	1.00	0.13	10.90
CNY/RMB	*	-	0.03	(0.03)	(0.34)
AED	*	0.01	0.01	-	-
EUR	0.01	0.43	0.18	0.25	22.87
MYR	-	0.01	*	0.01	0.18
JPY	-	0.22	13.62	(13.40)	(7.38)
CAD	-	*	*	*	0.04
OMR	-	-	*	*	(0.01)
GBP	-	*	(0.01)	(0.01)	(0.82)

* Indicates amount less than foreign currency 1 lakh.

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for the year ended March 31, 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

Foreign currency sensitivity

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

Particulars	Change in currency exchange rate	₹ crores			
		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
USD	+5%	0.21	0.55	0.16	0.41
	-5%	(0.21)	(0.55)	(0.16)	(0.41)
CNY/RMB	+5%	(0.54)	(0.02)	(0.40)	(0.01)
	-5%	0.54	0.02	0.40	0.01
AED	+5%	(0.04)	-	(0.03)	0.00
	-5%	0.04	-	0.03	0.00
EUR	+5%	1.13	1.14	0.84	0.86
	-5%	(1.13)	(1.14)	(0.84)	(0.86)
MYR	+5%	0.01	0.01	0.01	0.01
	-5%	(0.01)	(0.01)	(0.01)	(0.01)
JPY	+5%	(0.32)	(0.37)	(0.24)	(0.28)
	-5%	0.32	0.37	0.24	0.28
CHF	+5%	-	-	0.00	0.00
	-5%	-	-	0.00	0.00
CAD	+5%	0.00	-	0.00	0.00
	-5%	(0.00)	-	(0.00)	0.00
OMR	+5%	(0.00)	-	(0.00)	0.00
	-5%	0.00	-	0.00	0.00
GBP	+5%	(0.04)	(0.04)	(0.03)	(0.03)
	-5%	0.04	0.04	0.03	0.03

Commodity price risk

The Group is subject to fluctuations in prices for the purchase of copper, aluminium, and other raw material inputs. The Group purchased primarily all of its copper and aluminium requirements at prevailing market rates during the year ended March 31, 2025.

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 Group 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 crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	1,794.27	164.41	-	-	1,794.27	164.41
Aluminium	1,954.52	68.11	-	-	1,954.52	68.11

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount ₹ In crore	Quantity (MT)	Amount ₹ In crore	Quantity (MT)	Amount ₹ In crore
Commodity						
Copper	1,623.76	133.33	250.00	17.28	1,373.76	116.05
Aluminium	886.74	27.06	-	-	886.74	27.06

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		₹ crores
		For the year ended	For the year ended	For the year ended	For the year ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Commodity						
Copper	-5%	(8.22)	(5.80)	(6.15)	(4.31)	
	+5%	8.22	5.80	6.15	4.31	
Aluminium	-5%	(3.41)	(1.35)	(2.55)	(1.00)	
	+5%	3.41	1.35	2.55	1.00	

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. Interest rate change does not affect significantly to the company. Company does not have any exposure to the future cash flows resulting from change in interest rate as the Company's net obligations and assets carries fixed interest rate.

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 Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

1. Trade receivables

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

Particulars	Neither past due nor impaired	Past due but not impaired		Total	₹ crores
		Less than 1 year	More than 1 year		
		March 31, 2025	March 31, 2024		
Trade Receivables as on March 31, 2025	994.62	944.76	93.85	2,033.23	
Trade Receivables as on March 31, 2024	1,018.82	889.79	122.27	2,030.88	

Refer Note 13 for details on the impairment of trade receivables.

2. Financial instruments and cash deposits

Credit risk from balances with banks is managed by Group'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.

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for the year ended March 31, 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

Liquidity Risk

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

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

Particulars	As at March 31, 2025			₹ crores
	Less than 1 year	More than 1 year	Total	
Interest bearing borrowings	199.36		199.36	
Trade Payables	3,427.62		3,427.62	
Lease Liabilities	57.53	188.10	245.63	
Other financial liabilities	63.93		63.93	
Total	3,748.44	188.10	3,936.54	

Particulars	As at March 31, 2024			₹ crores
	Less than 1 year	More than 1 year	Total	
Interest bearing borrowings	166.62		166.62	
Trade Payables	2,616.60	-	2,616.60	
Lease Liabilities	27.74	72.07	99.81	
Other financial liabilities	51.81	-	51.81	
Total	2,862.77	72.07	2,934.84	

45. CAPITAL MANAGEMENT

The Group's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Group. The Group 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 Group's adjusted net debt and equity position is as follows:

Gearing ratio :

Particulars	As at March 31, 2025	As at March 31, 2024	₹ crores
Borrowings	199.36	166.62	
Less: Cash and cash equivalents	(425.59)	(373.64)	
Net debt	(226.23)	(207.02)	
Equity	3,067.62	2,612.63	
Gearing ratio (Net debt / equity) X 100	NA*	NA*	

* This ratio is not relevant as the cash and cash equivalents exceed the loans and borrowings.

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46. AGGREGATION OF EXPENSES DISCLOSED IN PROJECT COST VIDE NOTE 30 IN RESPECT OF SPECIFIC ITEMS INCLUDED IN SALARIES AND WAGES, OTHER EXPENSES AND FINANCE COST VIDE NOTE 31 ,34 AND 32 IS AS FOLLOWS

Nature of expenses	Year	Note 30	Note 31	Note 34	Note 32	₹ crores Total
Salary and wages	As as March 31, 2025	461.72	816.54	-	-	1278.26
	As as March 31, 2024	410.85	670.92	-	-	1081.77
Staff welfare expenses	As as March 31, 2025	2.36	66.35	-	-	68.71
	As as March 31, 2024	4.48	50.30	-	-	54.78
Contribution to provident and other funds	As as March 31, 2025	0.10	25.58	-	-	25.68
	As as March 31, 2024	0.10	22.38	-	-	22.48
Rent	As as March 31, 2025	3.62	-	88.79	-	92.41
	As as March 31, 2024	3.17	-	77.90	-	81.07
Commission and sales incentives	As as March 31, 2025	0.02	-	61.00	-	61.02
	As as March 31, 2024	0.06	-	41.12	-	41.18
Repairs and maintenance	As as March 31, 2025	1.36	-	77.54	-	78.90
	As as March 31, 2024	0.43	-	53.46	-	53.89
Rates and taxes	As as March 31, 2025	8.99	-	5.35	-	14.34
	As as March 31, 2024	5.77	-	2.11	-	7.88
Power and fuel	As as March 31, 2025	4.70	-	29.24	-	33.94
	As as March 31, 2024	6.62	-	23.20	-	29.82
Insurance	As as March 31, 2025	3.10	-	12.56	-	15.66
	As as March 31, 2024	6.26	-	7.01	-	13.27
Travelling and conveyance	As as March 31, 2025	4.75	-	86.30	-	91.05
	As as March 31, 2024	6.01	-	74.84	-	80.85
Printing and stationery	As as March 31, 2025	1.33	-	4.77	-	6.10
	As as March 31, 2024	0.94	-	4.94	-	5.88
Freight and forwarding charges	As as March 31, 2025	2.73	-	163.45	-	166.18
	As as March 31, 2024	2.92	-	130.36	-	133.28
Legal and professional fees	As as March 31, 2025	40.95	-	120.57	-	161.52
	As as March 31, 2024	27.30	-	93.64	-	120.94
Foreign exchange differences	As as March 31, 2025	(0.13)	-	11.83	-	11.70
	As as March 31, 2024	0.04	-	3.74	-	3.78
Warranty cost	As as March 31, 2025	0.09	-	76.69	-	76.78
	As as March 31, 2024	0.03	-	41.56	-	41.59
Miscellaneous expenses	As as March 31, 2025	3.09	-	54.64	-	57.73
	As as March 31, 2024	2.75	-	55.43	-	58.18
Bank charges	As as March 31, 2025	6.96	-		8.95	15.91
	As as March 31, 2024	5.33	-	-	6.95	12.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

47. DETAILS OF REVENUE EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT :

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Employee benefits expense	13.04	13.32
Cost of material consumed	7.28	3.84
Legal and professional fees	15.49	2.71
Depreciation and amortisation expenses	11.93	11.37
Others	10.57	17.99
Total revenue expenditure directly related to research and development	58.31	49.23

48. DETAILS OF CAPITAL EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT:

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Tangible assets		
Buildings	4.13	7.48
Plant and equipment	20.60	39.28
Furniture and fixtures	0.59	0.07
Office equipments	1.55	1.32
Vehicles	3.70	1.43
Computers	0.48	0.57
Intangible assets		
Technical knowhow	49.39	43.07
Software	0.75	1.02
Total capital expenditure directly related to research and development	81.19	94.24

Note :

The above expenses is net off ₹ 32.82 Crore grant received from Mr. Ashok M. Advani (promoter) to boost research and development activities of the Parent Company.

49. STATUTORY GROUP INFORMATION

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive Income	Amount (₹ Crores)	As % of consolidated total comprehensive Income	Amount (₹ Crores)
Parent company								
Blue Star Limited								
Balance at March 31, 2025	93%	2,854.60	82%	484.90	(44%)	(1.57)	81%	483.33
Balance at March 31, 2024	96%	2,511.49	89%	367.50	237%	(1.68)	88%	365.82

Notes to Consolidated Financial Statements

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49. STATUTORY GROUP INFORMATION (Contd..)

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive Income	Amount (₹ Crores)	As % of consolidated total comprehensive Income	Amount (₹ Crores)
Indian subsidiary companies								
1. Blue Star Engineering and Electronics Limited								
Balance at March 31, 2025	10%	308.34	7%	40.17	2%	0.07	7%	40.24
Balance at March 31, 2024	10%	267.72	11%	46.35	10%	(0.07)	11%	46.28
2. Blue Star Climatech Limited								
Balance at March 31, 2025	20%	619.53	10%	61.52	(2%)	(0.06)	10%	61.46
Balance at March 31, 2024	20%	528.63	5%	22.72	10%	(0.07)	5%	22.65
Foreign subsidiary companies								
1. Blue Star Qatar - WLL								
Balance at March 31, 2025	2%	52.39	0%	0.79	0%	-	0%	0.79
Balance at March 31, 2024	2%	50.32	(3%)	(12.78)	0%	-	(3%)	(12.78)
2. Blue Star International FZCO								
Balance at March 31, 2025	2%	74.97	1%	4.52	0%	-	1%	4.52
Balance at March 31, 2024	3%	68.72	4%	14.58	0%	-	4%	14.58
3. Blue Star MEA Airconditioning LLC								
Balance at March 31, 2025	(1%)	(25.78)	0%	2.70	0%	-	0%	2.70
Balance at March 31, 2024	(1%)	(27.83)	(1%)	(5.06)	0%	-	(1%)	(5.06)
4. BSL AC&R (SINGAPORE) PTE. LTD.								
Balance at March 31, 2025	1%	23.41	0%	(0.09)	0%	-	0%	(0.09)
Balance at March 31, 2024	2%	22.93	0%	0.15	0%	-	0%	0.15
5. BLUE STAR NORTH AMERICA INC								
Balance at March 31, 2025	1%	19.47	3%	15.34	0%	-	3%	15.34
Balance at March 31, 2024	0%	3.88	(1%)	(5.51)	0%	-	(1%)	(5.51)
6. BLUE STAR EUROPE BV								
Balance at March 31, 2025	0%	(1.42)	(2%)	(10.23)	0%	-	(2%)	(10.23)
Balance at March 31, 2024	0%	(1.14)	(3%)	(10.12)	0%	-	(2%)	(10.12)
7. BLUE STAR INNOVATION JAPAN LLC								
Balance at March 31, 2025	1%	18.90	0%	0.27	0%	-	0%	0.27
Balance at March 31, 2024	1%	7.09	(1%)	(2.92)	0%	-	(1%)	(2.92)
8. Blue Star Air Conditioning & Refrigeration (U) Limited								
Balance at March 31, 2025	0%	(1.24)	(0%)	(1.26)	0%	-	(0%)	(1.26)
Balance at March 31, 2024	0%	0.00	0%	-	0%	-	0%	0.00
Joint ventures								
(investment as per the equity method)								
1. Blue Star M & E Engineering (Sdn) Bhd								
Balance at March 31, 2025	1%	29.59	(0%)	(1.33)	0%	-	(0%)	(1.33)
Balance at March 31, 2024	1%	30.93	0%	0.49	0%	-	0%	0.49
2. Blue Star Oman Electro-Mechanical Co. LLC								
Balance at March 31, 2025	0%	-	0%	0.00	0%	0.00	0%	0.00
Balance at March 31, 2024	0%	-	0%	0.00	0%	0.00	0%	0.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

49. STATUTORY GROUP INFORMATION (Contd..)

Particulars	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive Income	Amount (₹ Crores)	As % of consolidated total comprehensive Income	Amount (₹ Crores)
Consolidated adjustments/ Eliminations								
Balance at March 31, 2025	-	(905.14)	-	(6.02)	-	5.12	-	(0.90)
Balance at March 31, 2024	-	(843.02)	-	(4.01)	-	1.11	-	(2.90)
Total								
Balance at March 31, 2025	100%	3,067.62	100%	591.28	100%	3.56	100%	594.84
Balance at March 31, 2024	100%	2,612.63	100%	414.31	100%	(0.71)	100%	413.60

50. 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 Group 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:

₹ crores

Timing of transfer of goods and services	For the Year ended March 31, 2025			For the Year ended March 31, 2024		
	At a point in time	Overtime	Total	At a point in time	Overtime	Total
Electro -mechanical projects and commercial air conditioning systems	2,416.03	3,581.96	5,997.99	1,789.52	2,925.94	4,715.46
Unitary products	5,571.52	49.59	5,621.11	4,544.84	47.36	4,592.20
Professional electronics and industrial systems	302.75	45.80	348.55	324.38	53.32	377.70
Total	8,290.30	3,677.35	11,967.65	6,658.74	3,026.62	9,685.36

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

₹ crores

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	
Sale of products at transaction price and construction and service contracts at contracted price	12,250.93		9,891.51
Reductions towards variable consideration components *	(283.28)		(206.15)
Revenue recognised of profit and loss	11,967.65		9,685.36

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

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for the year ended March 31, 2025

50. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS (Contd..)

3. Revenue recognised relating to performance obligations that were satisfied in a prior year amounted to ₹ Nil crore (March 31, 2024 ₹ Nil crore).
4. The aggregate value of order book as at March 31, 2025, is ₹ 6263 crores (March 31, 2024 ₹ 5,697 crores). Out of this, the Group expects to recognise revenue of around 62% within the next one year and the remaining thereafter.
5. Changes in contract assets and contract liabilities during the reporting period:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Opening balance - contract assets (net of impairment)	730.46	576.36
Opening balance - contract liabilities	(235.94)	(196.27)
Net contract assets	494.52	380.09
Add : Revenue recognised during the year	3,677.35	3,026.62
Less : Progress billing during the year	(3,620.59)	(2,912.21)
Closing Balance	551.28	494.50
Closing balance contract assets (net of impairment)	832.45	730.46
Closing balance contract liabilities including income received in advance	(281.17)	(235.94)
The Group has recognised revenue out of opening contract liabilities	186.43	155.32

51. UTILISATION OF PROCEEDS FROM QUALIFIED INSTITUTIONAL PLACEMENT

The Parent Company had issued 1,29,87,012 equity shares of face value of ₹ 2 each through Qualified Institutional Placement, (QIP) on September 22, 2023 at an issue price of ₹ 770 per equity share (including premium of ₹ 768 per equity share). Total amount raised through QIP amounts to ₹1,000 crore.

Following are the details of utilization of proceeds of ₹ 981.78 crore post meeting issue expenses of ₹ 18.22 crore excluding GST and net of TDS:

Agreed purpose	March 31, 2025			March 31, 2024		
	Proposed Utilisation	Amount utilisation	Unutilised amount	Proposed Utilisation	Amount utilisation	Unutilised amount
Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Limited	565.56	565.56	-	565.56	565.56	-
Investment into subsidiary, Blue Star Climatech Limited, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Climatech Limited	169.44	169.44	-	169.44	169.44	-
Investment into subsidiary, Blue Star Climatech Limited, for financing the cost towards the expansion of Sri City Facility	125.00	125.00	-	125.00	95.56	29.44
General corporate purpose	121.78	121.78	-	121.78	121.70	0.08
Total	981.78	981.78	-	981.78	952.26	29.52

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52. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE GROUP HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE:

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
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Purchase	-	(0.08)	-	(0.08)	Vendor
Cooltech Systems Private Limited	U74140DL2014PTC266635	Purchase	-	(0.07)	-	(0.07)	Vendor
New Tech Infra Engineers	U45201DL2012PTC230791	Purchase	-	(0.06)	-	(0.06)	Vendor
Ask Solar Private Limited	U40300TN2012PTC088834	Purchase	-	(0.04)	-	(0.04)	Vendor
Vrv Engineers Private Limited	U50101TN2006PTC061058	Purchase	-	(0.01)	-	(0.01)	Vendor
Fortune Metal Facades	U27109PN2010PTC136584	Purchase	-	(0.01)	-	(0.01)	Vendor
Saqib Tech India Private Limited	U22212DL2012PTC230515	Purchase	-	*	-	*	Vendor
Scanstar Inspection Technology	U74999TN2011PTC080315	Purchase	-	*	-	*	Vendor
Pioneer Techno Engineering	U45303OR2012PTC016137	Purchase	-	*	-	*	Vendor
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Purchase	-	*	-	*	Vendor
Competent Engineers	U45203DL1981PTC012338	Purchase	-	*	-	*	Vendor
United Agro Care India Private Limited	U01111PY2007PTC002031	Purchase	-	*	-	*	Vendor
Jans Arya Developers Private Limited	U45400HR2014PTC051982	Purchase	-	*	-	*	Vendor
Vsm Consulting Services	AAA-2181	Purchase	-	*	-	*	Vendor
Acme D Ace Marketing Solution	U93000DL2013PTC252498	Purchase	-	*	-	*	Vendor
Apple Insulated Wires Private Limited	U31300DN1997PTC000182	Purchase	-	*	-	*	Vendor
Gourmet King LLP	AAQ-5266	Purchase	-	*	-	*	Vendor
Reidius Electricals Private Limited	U74999HR2017PTC069448	Purchase	-	*	-	*	Vendor
UTR Bondings Private Limited	U63000RJ2017PTC057401	Purchase	-	*	-	*	Vendor
Nabrup Merchant Private Limited	U51109WB2007PTC119741	Purchase	-	*	-	*	Vendor
S B Infrabuild Private Limited	U45200DL2010PTC206455	Purchase	-	*	-	*	Vendor
Balcon Engineering & Technolgy	U93000TN2013PTC090657	Purchase	-	*	-	*	Vendor
Saim Air Private Limited	U74900UP2014PTC063764	Purchase	-	*	-	*	Vendor
Glacier Technologies Private Limited	U52334AS2005PTC007954	Purchase	-	*	-	*	Vendor
Trouble Clear Consumer Sro	U74999DL2016PTC305347	Purchase	-	*	-	*	Vendor
Stellent Engineering Solution	U74999DL2011PTC221535	Purchase	-	*	-	*	Vendor
Hi - Volt Engineering Private Limited	U74999TN2012PTC085054	Purchase	-	*	-	*	Vendor
Y-Ark Consultancy Services	U74120TG2015PTC101075	Purchase	-	*	-	*	Vendor
Anuhan Construction Private Limited	U45400MH2012PTC235387	Purchase	-	*	-	*	Vendor
Tonvolt Engineering Private Limited	U74999TN2017PTC118133	Purchase	-	0.01	-	*	Vendor
Gold Fox Guardians Private Limited	U74999KA2017PTC103039	Sales	-	*	-	*	Customer
Govinda Choudhury & CO Private Limited	U45202OR1996PTC004300	Sales	-	*	-	*	Customer
KMS Electronics Private Limited	U52335WB1994PTC065698	Sales	0.02	*	0.02	*	Customer
Fair Electronics & Appliances	U32200MH1997PTC105675	Sales	-	*	-	*	Customer
Ilona Hospitalities Private Limited	U55209KA2017PTC104385	Sales	-	*	-	*	Customer
Air Command HVAC Engineering	U29192TN2007PTC064299	Sales	-	*	-	*	Customer
Vedanta Healthcare private Limited	U24230MH1996PLC102280	Sales	-	*	-	*	Customer
Kashi Electronics Private Limited	U32101UP1983PTC006139	Sales	-	*	-	*	Customer
Tranquillity Industries	U29242PN2013PTC147716	Sales	-	*	-	*	Customer
Associated Aircon Private Limited	U29192DL1999PTC100348	Sales	-	*	-	*	Customer
Skyline Distributors Private Limited	U26931DL1991PTC045481	Sales	-	*	-	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Sales	-	*	-	*	Customer
Rahul Electronics Private Limited	U32109KA1997PTC022173	Sales	-	*	-	*	Customer
Perfect Cool Services LLP	AAO-2492	Sales	-	*	-	*	Customer
Congeal Technology Private Limited	U74999KA2017PTC107852	Sales	-	*	-	*	Customer
Micro Flow Contamination	U90001TN2015PTC101441	Sales	0.06	*	0.16	*	Customer
Jassbys Chennai Pvt Ltd Sherlock Bar	U55100TN2017PTC115361	Sales	-	*	-	*	Customer

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52. DETAILS OF STRUCKOFF COMPANIES WITH WHOM THE GROUP HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

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	₹ crores	Relation with struck off Company
Koolnest Private Limited	U29191KA1996PTC020089	Sales	-	*	-	-	*	Customer
Shree Ganesh Aircon Engineers	U31909RJ2011PTC037423	Sales	-	*	-	-	*	Customer
Impactiva Manufacturing systems india pvt	U72900TN2012PTC087866	Sales	-	*	-	-	*	Customer
VBR Pacific Private Limited	U51909TN2019PTC130620	Sales	-	*	-	-	*	Customer
The Minor Food Group (India) Private Limited	U55101DL2014PTC266136	Sales	-	*	-	-	*	Customer
Sohnatel Hospitalities Private Limited	U55101DL2017PTC317579	Sales	-	*	-	-	*	Customer
Lahari Resorts	U55103AP1996PTC022911	Sales	-	*	-	-	*	Customer
Ice Cream Foods Private Limited	U15205MH2009PTC196634	Sales	-	*	-	-	*	Customer
Concept Bakers Private Limited	U15411TN2010PTC076839	Sales	-	*	-	-	*	Customer
Drool Foods Private Limited	U55101DL2010PTC208491	Sales	-	*	-	-	*	Customer
Indo Fill India Limited	U24119DL1981PTC011341	Sales	-	*	-	-	*	Customer
Serafina New York	U55100TG2013PTC089406	Sales	-	*	-	-	*	Customer
Welspun India Limited	U99999MH1985PLC035092	Sales	-	*	-	-	*	Customer
The Scottish High International	U80900DL2009NPL190770	Sales	0.04	*	-	-	*	Customer
Adam Exports Private Limited	U17299MH2015PTC263547	Sales	0.02	*	0.02	*	*	Customer
Narayana Multispeciality	U85110MH2011PTC220765	Sales	0.02	*	(0.01)	-	*	Customer
Saturn Fitness OPC Private Limited	U74999MH2017OPC302017	Sales	-	*	-	-	*	Customer
Shroff Eye Centre	U85110GJ1997PTC031663	Sales	0.02	-	-	-	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Sales	-	-	-	-	*	Customer
Turner And Miller Techonology	U72200KA2008PTC047612	Sales	-	-	-	-	*	Customer
BMK Express Automobiles Private Limited	U50404TN2010PTC074181	Sales	-	-	-	-	*	Customer
Factotum Consultancy Service	U74900PN2010PTC136350	Sales	-	-	-	-	*	Customer
Habitare Hotels and Resort	U55101HR2012PTC047878	Sales	-	-	-	-	*	Customer
Shamk Merchantile Private Limited	U52331OR2015PTC019261	Sales	0.06	*	0.01	*	*	Customer

* Indicates amount less than ₹ 1 lakh

53. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- The Group neither holds any benami property nor any proceedings have been initiated or pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Group 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.
- The Group 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

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54. EMPLOYEE SHARE BASED PAYMENT PLAN

Employees Stock Option Scheme - 2024

This Scheme shall be called the "**BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024**" hereinafter referred as "the Scheme". The Scheme was recommended by the Nomination and Remuneration Committee on August 1, 2024 and approved by the Board of Directors on August 6, 2024 and by the Shareholders of the Parent by way of special resolution on September 25, 2024. The Scheme shall be effective from the date of approval of the Scheme by the shareholders of the Parent (i.e.) September 25, 2024 ("Effective Date"). The Scheme is in accordance with the regulations prescribed by SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other regulation as applicable to the Parent and shall not contravene any law, for the time being in force that is material for giving effect to such Scheme. The Scheme shall continue in effect unless terminated by the Board of Directors or Nomination and Remuneration Committee or until all the Options granted under the Scheme are vested and exercised whichever is earlier. Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect, subject to clause 14.3 and 14.5, as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal Heirs and the Parent.

The total number of Options that may be granted pursuant to this Scheme shall not exceed 5,00,000 (Five Lakhs only) convertible into equity shares at face value of ₹ 2/- each (or such other adjusted figure consequent to Corporate Action).

The Exercise Price of the Options granted shall be the face value of the Share, i.e., ₹ 2/- (or as adjusted by the corporate action(s)). No amount shall be payable at the time of Grant of Options.

The maximum number of Stock Options to be granted to any Eligible Employee under the Scheme shall not exceed 1,00,000.

The Grant of 1 (One) Option to an Eligible Employee under this Scheme shall entitle such Eligible Employee to apply for 1 (One) Share in the Parent upon payment of Exercise Price and applicable taxes and subject to terms and conditions provided in the Scheme and in the Grant Letter.

Vesting Period for Options shall commence after minimum 1 (One) year from the Grant Date and it may extend up to maximum of 5 (Five) years from the Grant Date or such lesser period as may be decided by the NRC at its sole discretion from time to time.

The Exercise Period shall be 7 (seven) years from the Grant Date or such lesser period as may be decided by the NRC. The Exercise Period will be specified in the Grant Letter issued to the Eligible Employees. Failure to exercise the Options within the specified time period, shall result in lapsing of Vested Options in the hands of Grantee.

The outstanding position as at March 31, 2025 is summarised below:

Particulars	ESOP Plan 2024
Grant Date	October 21, 2024
Fair value on grant date	1,983.61
Options granted during the year	80,660
Transfer In	-
Transfer Out	-
Forfeited during the period	-
Exercised during the period	-
Outstanding as on March 31, 2025	80,660
of above - vested outstanding options	Nil
of above unvested outstanding options	80,660

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for the year ended March 31, 2025

54. EMPLOYEE SHARE BASED PAYMENT PLAN (Contd..)

Particulars	ESOP Plan 2024
Vesting period	The vesting schedule is as below: 1st year (first tranche), 25% (October 20, 2025) 2nd year (second tranche), 25% (October 20, 2026) 3rd year (third tranche), 25% (October 20, 2027) Remaining 25% as the end of 4th year. (October 20, 2028)
Exercise period	7 Years from date of Vesting
Weighted average remaining contract life	7 Years from date of Vesting
Exercise price	₹ 2 per share
Weighted average share price for shares exercised during the year	Not Applicable
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield" This is based on the yields on Indian government bonds of term equivalent to the expected life of the option as on the grant date.
Risk free rate of interest	As the Parent is listed on the stock exchange thus, the historical share price data for the relevant period is readily available. The expected volatility for the options issued by the Parent has been determined after observing the Parents historical volatility.
Expected Volatility	As the Parent is listed on the stock exchange thus, the share price data is readily available. As advised by the Company, we have used the closing share price of the Company as on the grant date.
Stock price	As the Parent is listed on the stock exchange thus, the share price data is readily available. As advised by the Company, we have used the closing share price of the Company as on the grant date.
Exercise period	It is the period for which the Parent expects the options to be alive. The minimum life of stock option is the minimum period be for which the options can not be exercised and the maximum life is the period after which the option can not be exercised. The expected remaining life of the option has been taken based on exercise term of the options i.e., 7 years from the grant date.
Dividend yield	We understand that the Parent has historically paid dividends and have a dividend payment policy in place. It should be noted that the input on dividend yield has been considered as per the data available in public domain. The same has been verified by the Parent.
Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of the employee stock option (ESOP) Granted has been estimated using black-Scholes model of pricing. The black-Scholes model requires the consideration of certain variables such as share price, Exercise price, Volatility, Risk free rate, Expected dividend yield, and expected option life, For the calculation of fair value of the option.

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for the year ended March 31, 2025

54. EMPLOYEE SHARE BASED PAYMENT PLAN (Contd..)

Specific assumptions used in the Black-Scholes Option Pricing Formula:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturity term	Risk free rate of interest	Volatility	Dividend
21-Oct-25	2017.85	2.00	4.00	6.86%	31.00%	0.35%
21-Oct-26	2017.85	2.00	4.50	6.86%	31.95%	0.35%
21-Oct-27	2017.85	2.00	5.00	6.85%	33.25%	0.35%
21-Oct-28	2017.85	2.00	5.50	6.85%	33.35%	0.35%

During the year, the Group has recognized an expense of ₹ 3.70 crores (March 31, 2024 - Nil).

55. AUTHORISATION FOR THE ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 6, 2025 and May 7, 2025

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

Vir S. Advani
Chairman and Managing Director
(DIN: 01571278)

B. Thiagarajan
Managing Director
(DIN: 01790498)

Rajesh Parte
Company Secretary

Nikhil Sohoni
Group Chief Financial Officer

Mumbai: May 07, 2025

Form AOC - I

(Pursuant to first provision to Section 129(3) of the Companies Act, 2013

read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

PART A - SUBSIDIARIES

(₹ in crores)

Sr No.	Particulars	Name of the subsidiaries					
		Blue Star Engineering & Electronics Limited	Blue Star Climatech Limited	Blue Star Qatar WLL	Blue Star International FZCO	Blue Star MEA Air Conditioning LLC	BSL AC&R (SINGAPRORE) PTE. LTD.
1	Date since when subsidiary was acquired	June 22, 2010	May 17, 2021	February 12, 2007	April 18, 2017	August 15, 2018	August 29, 2020
2	Reporting period	April - March	April – March	April - March	April - March	April - March	April - March
3	Reporting currency	INR	INR	QAR	AED	AED	USD
4	Exchange rate as on the last date of the relevant financial year*	NA	NA	23.45	23.27	23.27	85.48
5	Share capital issued and paid up.	5,29,25,052 Shares of ₹ 2/- each fully paid up	54,44,40,000 shares of ₹ 10/- each fully paid up	49 shares of QR 2000 each	5,350 shares of AED 1000 each	300 shares of AED 1000 each	43,80,001 Shares of S\$1 each
6	Reserves and surplus (other equity)	297.74	75.09	51.92	62.52	(26.48)	(0.43)
7	Total assets	478.45	1178.27	79.75	128.67	65.27	23.76
8	Total liabilities	170.12	558.74	27.36	53.70	91.05	0.35
9	Investments other than investments in subsidiary	20.41	4.76	-	-	-	-
10	Turnover (total income)	383.61	1486.42	67.31	160.43	173.80	2.15
11	Profit/(loss) before taxation	53.03	74.65	0.85	4.94	2.94	(0.08)
12	Provision for taxation	12.86	13.13	0.05	0.42	0.24	0.01
13	Profit/(loss) after taxation	40.17	61.52	0.80	4.52	2.70	(0.09)
14	Other comprehensive income/(loss)	0.07	(0.06)	-	-	-	-
15	Total comprehensive income/(loss)	40.24	61.46	0.80	4.52	2.70	(0.09)
16	Proposed dividend	-	-	-	-	-	-
17	% of Shareholding	100%	100%	49%	100%	100%#	100%**

*Closing exchange rate as on March 31, 2025 has been considered

Blue Star MEA Air Conditioning LLC, a wholly owned subsidiary of Blue Star International FZCO.

**BSL AC&R (Singapore) Pte Ltd, a wholly owned subsidiary of Blue Star International FZCO

Sr No.	Particulars	Name of the subsidiaries			
		Blue Star North America INC	Blue Star Europe BV	Blue Star Innovation Japan LLC	Blue Star Air Conditioning & Refrigerator (U) Limited
1	Date since when subsidiary was acquired	September 22, 2022	November 28, 2022	February 20, 2023	June 27, 2023
2	Reporting period	April - March	April - March	April - March	April - March
3	Reporting currency	USD	EUR	JPY	-
4	Exchange rate as on the last date of the relevant financial year*	85.48	92.09	0.57	-
5	Share capital issued and paid up.	15,000 Shares of USD 100/- each fully paid up	2,10,000 shares of EUR 10/- each fully paid up	-	-
6	Reserves and surplus (other equity)	6.65	(20.76)	(2.63)	(1.26)
7	Total assets	121.99	9.49	21.80	0.02
8	Total liabilities	102.52	10.91	2.90	1.26
9	Investments other than investments in subsidiary	-	-	-	-
10	Turnover (total income)	333.10	7.73	8.49	-
11	Profit/(loss) before taxation	19.99	(10.23)	0.46	(1.26)
12	Provision for taxation	4.65	-	0.19	-
13	Profit/(loss) after taxation	15.34	(10.23)	0.27	(1.26)
14	Other comprehensive income/(loss)	-	-	-	-
15	Total comprehensive income/(loss)	15.34	(10.23)	0.27	(1.26)
16	Proposed dividend	-	-	-	-
17	% of Shareholding	100%	100%	100%	100%##

Blue Star Air Conditioning & Refrigerator (U) Limited, a wholly owned subsidiary of Blue Star International FZCO.

Form AOC - I

(Pursuant to first provision to Section 129(3) of the Companies Act, 2013
read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

PART B - ASSOCIATES AND JOINT VENTURES

Sr No.	Particulars	Name of the joint ventures	
		Blue Star Oman Electro-Mechanical Co LLC##	Blue Star M & E Engineering Sdn Bhd**
1	Last audited balance sheet date	December 31, 2017	March 31, 2025
2	Date on which the associate or joint venture was associated or acquired	October 29, 2015	November 30, 1993
	Number of shares held by the Company as on March 31, 2025	255,000 shares of OMR 1 each	367,500 shares of RM 1 each
	Amount of investment in joint venture/associate	4.34	23.20
	Extent of holding %	51%	49%
3	Description of how there is a significant influence	There is significant influence due to percentage (%) of Share Capital	There is significant influence due to percentage (%) of Share Capital
4	Reasons why the joint venture is not consolidated	NA	NA
5	Net worth attributable to shareholding as per latest audited balance sheet	-	14.50
6	Profit/(loss) for the year		
	i. Considered in consolidation	-	(1.33)
	ii. Not considered in consolidation	-	-
7	Other comprehensive income/(loss) for the year		
	i. Considered in consolidation	-	-
	ii. Not considered in consolidation	-	-
8	Total comprehensive income/(loss) for the year		
	i. Considered in consolidation	-	(1.33)
	ii. Not considered in consolidation	-	-

refer note 41 in Consolidated Financial Statements

** Blue Star M & E Engineering (Sdn) Bhd is a joint venture of BSL AC&R (Singapore) Pte Ltd.

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

Vir S. Advani	Chairman and Managing Director	(DIN: 01571278)
B.Thiagarajan	Managing Director	(DIN: 01790498)
Nikhil Sohoni	Group Chief Financial Officer	
Rajesh Parte	Company Secretary	

Mumbai: May 07, 2025

Independent Auditor's Report

To The Members of Blue Star Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Blue Star 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 standalone 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 standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 standalone 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 standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accounting for Fixed Price Contract: Estimate of cost is a critical estimate to determine revenues from fixed price contracts and liability for onerous obligations. This estimate has an inherent uncertainty as it requires measurement of the progress of contracts, which is based on cost till date and total cost required to complete the contract performance obligations. (Refer note 16B, 24B, 28 and 47 to the standalone financial statement)	Principal audit procedures performed included the following: <ul style="list-style-type: none">i. Assessed the appropriateness of the accounting policy for recognizing revenue on fixed price contracts with the requirements of Ind AS 115.ii. Evaluated the design and implementation of internal controls over recording of actual cost till date and estimation of total cost required to complete the performance obligations.iii. Tested the operating effectiveness of the said internal controls for a selected sample of contracts.

Sr. No.	Key Audit Matter	Auditor's Response
2	Assessment of the carrying value of trade receivables and contract assets: The appropriate valuation of certain contract assets and trade receivables is dependent on a number of factors such as age, credit worthiness and ability of counterparties to make payment. (Refer Note 16B and 13 to the standalone financial statement)	<p>iv. Verified the measurement of the actual cost till date and the total estimated cost for completion of performance obligations for a selected sample of contracts.</p> <p>v. Performed substantive tests on a sample of contracts to identify, if any, significant variations in actual costs till date and total costs required to complete the performance obligations and verified whether the revenue was recognised based on such costs after considering the effects of variations, if any, in the total costs required to complete the performance obligations.</p> <p>vi. Identified onerous contracts to record a provision for expected costs to be incurred till completion of the contract.</p> <p>Principal audit procedures performed included the following:</p> <p>i. Evaluated the design and implementation of internal controls over the review of valuation of trade receivables and contract assets.</p> <p>ii. Tested the operating effectiveness of the said internal controls for selected samples.</p> <p>iii. Scrutinised a sample of receivable accounts to confirm management's assessment about recoverability of the receivables, having regards to credit worthiness of the counterparties to make payment based on passage of time and/ or information available with management.</p> <p>iv. Verified subsequent receipts for selected samples, post balance sheet date.</p> <p>v. Verified the management's estimates for provision of expected credit loss in terms of Ind AS 109 on Financial Instruments.</p>

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 integrated report, Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report and the Dynamics of Blue Star's Growth (hereinafter referred to as "other information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 STANDALONE 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 standalone 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 standalone 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 STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Standalone Balance Sheet, the Standalone 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 standalone 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 standalone 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 standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term

- contracts including derivative contracts
- Refer Note 25 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, 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, other than as disclosed in Note 10 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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, other than as disclosed in Note 20 to the Standalone Financial Statements, no funds have been received by the Company from any person or entity, 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 final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 19 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. 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

Place: Mumbai
Date: 07th May, 2025

Ketan Vora
Partner
Membership No.100459
UDIN: 25100459BMMHLJ2353

Annexure "A" to the Independent Auditor's Report of Blue Star Limited

(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 STANDALONE 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 standalone financial statements of Blue Star Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the standalone 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 standalone financial statements based on the internal control with reference to standalone 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 company 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone 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 standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Ketan Vora

Partner

Place: Mumbai

Membership No.100459

Date: 07th May, 2025

UDIN: 25100459BMMHLJ2353

Annexure B to the Independent Auditor's Report of Blue Star Limited

(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, investment property 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, investment properties and right-of-use assets) so as 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, 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 our examination of the registered sale deeds provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, investment property 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 based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. 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 the 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. 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 company and other parties during the year and details of which are given below:

Particulars	₹ in crores	Loans
A. Aggregate amount granted / provided during the year:		
- Subsidiary	85.00	
- Others (Employees)	18.71	
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	60.00	
- Others (Employees)	17.63	

The Company has not provided any security or guarantee 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 provided, 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 and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without

specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees 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 accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of the cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, 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, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, 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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ Crore)	Amount unpaid (₹ Crore)
Income Tax Act, 1961	Income Tax	High Court	PY 1997-98, PY 1999-2000, PY 2001-02, PY 2002-03, PY 2003-04	9.55	8.80
		Income Tax Appellate Tribunal (ITAT)	PY 2005-06, PY 2006-07	6.89	6.89
		Assessing Officer	PY 2006-07	1.28	1.28
Local Sales Tax Act, Central Sales Tax Act and VAT Act	VAT, CST, Sales Tax, Entry Tax	Commissioner of Income Tax Appeals	PY 2007-08, PY 2008-09, PY 2013-14 to PY 2017-18, PY 2019-20, PY 2020-21, PY 2021-22	81.43	81.43
		Supreme Court/High Court	FY 2009-10 to 2010-11 & 2002-03 to 2003-04	9.47	9.47
		Tribunal and Appellate Board	FY 2001-02 to 2002-03 and FY 2008-09 to 2017-18	9.00	3.59
Service tax under Finance Act, 1994	Service tax	Commissioner Appeals, Commercial Tax Officer and Assessing Officer (CWG)	FY 2001-02, 2008-09, 2011-12, 2014-15 to 2017-18	1.97	0.34
		High court	FY 2004-05	6.85	6.85
		CESTAT	FY 2004-05 to 2013-14	32.54	31.47
Customs Act, 1962 and Central Excise Act, 1944	Excise Duty and Customs	Commissioner (Appeals)	FY 2005-06 to 2009-10, 2012-13 and 2014-15 to 2017-18	0.50	0.47
		CESTAT	FY 1988-89, FY 1994-95 to FY 1995-96 and FY 2007-08 to FY 2015-16	0.23	0.23
		Commissioner (Appeals) and Superintendent	FY 1987-88 to FY 1989-90, and FY 2006-07 to FY 2015-16	4.08	4.05
Goods and Service Act, 2017	Goods and Service Tax	Commissioner appeals, Joint Commissioner appeals, Additional commissioner appeals	FY 2017-18 to 2019-20 and FY 2022-23	20.52	18.81
		Joint Commissioner state tax, Asst. Commissioner state tax	FY 2017-18 to 2018-19 and FY 2020-21	1.83	1.65

(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 3(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) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies.

- (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) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under section 143(12) 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 up to the date of this report.
- (c) We have taken into consideration the whistleblower complaints received by the Company during the year and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 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 up to March 31, 2025.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, or persons connected with such 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.
- (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

Place: Mumbai

Date: 07th May, 2025

Membership No. 100459

UDIN: 25100459BMMHLJ2353

Standalone Balance Sheet

as at March 31, 2025

₹ Crores

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	712.05	604.48
(b) Capital work-in-progress	5	54.18	26.21
(c) Investment property	6	*	*
(d) Right-of-use assets	7	167.89	67.13
(e) Intangible assets	8A	112.02	92.04
(f) Intangible assets under development	8B	49.81	18.96
(g) Financial assets			
(i) Investments	9	817.56	767.16
(ii) Loans	10	19.54	5.53
(iii) Other financial assets	11	32.02	26.47
(h) Income tax assets (net)	27	120.50	118.98
(i) Other non-current assets	16A	29.50	29.38
Total non-current assets		2,115.07	1,756.34
2. Current assets			
(a) Inventories	12	1,779.47	1,232.66
(b) Contract assets	16B	815.95	684.47
(c) Financial assets			
(i) Investments	9	388.94	189.99
(ii) Trade receivables	13	1,816.99	1,799.67
(iii) Cash and cash equivalents	14	299.76	258.61
(iv) Other bank balances	15	6.34	3.70
(v) Loans	10	64.21	27.07
(vi) Other financial assets	11	24.71	31.57
(d) Other current assets	16A	395.01	183.55
Total current assets		5,591.38	4,411.29
Total assets		7,706.45	6,167.63
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	41.12	41.12
(b) Other equity	18	2,813.48	2,470.37
Total equity		2,854.60	2,511.49
2. Non-current liabilities			
(a) Contract liabilities	24B	0.01	1.15
(b) Financial liabilities			
- Lease liabilities	22	137.22	55.85
(c) Provisions	25	25.01	15.91
(d) Government grants	26	16.90	7.65
(e) Deferred tax liabilities	27	4.42	3.83
Total non-current liabilities		183.56	84.39
3. Current Liabilities			
(a) Contract liabilities	24B	249.79	180.89
(b) Financial liabilities			
(i) Borrowings	20	318.90	235.48
(ii) Lease liabilities	22	44.24	20.64
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	229.41	197.11
(b) Total outstanding dues of creditors other than micro and small enterprises	21	2,927.48	2,202.39
(iv) Other financial liabilities	23	48.43	35.23
(c) Government grants	26	1.52	1.18
(d) Other current liabilities	24A	721.04	605.31
(e) Provisions	25	79.64	50.66
(f) Income tax liabilities (net)	27	47.84	42.86
Total current liabilities		4,668.29	3,571.75
Total equity and liabilities		7,706.45	6,167.63

* Indicates amount less than ₹ 1 Lakh

Summary of material accounting policies

2

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

1 to 52

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

Rajesh Parre

Company Secretary

B. Thiagarajan

Managing Director
(DIN: 01790498)

Nikhil Sohoni

Group Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

₹ Crores

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	28	11,325.75	8,998.88
Other income	29	61.58	41.30
Total income (I)		11,387.33	9,040.18
Expenses			
Cost of materials consumed (including direct project and service cost)	30	6,593.60	5,413.96
Purchase of stock-in-trade	30	2,517.77	1,509.24
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(278.60)	108.64
Employee benefits expense	31	747.69	597.18
Finance costs	32	50.89	55.98
Depreciation and amortisation expense	33	96.42	75.35
Other expenses	34	1,009.63	788.14
Total expenses (II)		10,737.40	8,548.49
Profit before tax (I-II)		649.93	491.69
Tax expense			
i) Current tax	27	164.44	116.19
ii) Deferred tax	27	0.59	8.00
Total tax expense		165.03	124.19
Net Profit after Tax		484.90	367.50
Other comprehensive income / (loss)			
Item that will not be reclassified to profit or loss			
Re-measurement gain / (loss) on defined benefit plans		(2.10)	(2.24)
Income tax effect	27	0.53	0.56
Other comprehensive income / (loss) for the year		(1.57)	(1.68)
Total comprehensive income for the year		483.33	365.82
Earnings per share (face value of ₹ 2 per share)			
Basic (in ₹)		23.58	18.43
Diluted (in ₹)		23.58	18.43
Summary of material accounting policies		2	
The accompanying notes are an integral part of the financial statements.		1 to 52	

In terms of our report attached

**For Deloitte Haskins & Sells LLP
Chartered Accountants**

Ketan Vora

Partner

Membership No. 100459

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

B. Thiagarajan

Managing Director
(DIN: 01790498)

Rajesh Parte

Company Secretary

Nikhil Sohoni

Group Chief Financial Officer

Mumbai: May 07, 2025

Standalone 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 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
41.12	-	41.12

For the year ended March 31, 2024

₹ Crores

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
19.26	21.86	41.12

(B) Other Equity

For the year ended March 31, 2025

₹ Crores

Particulars	Reserves and surplus						Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	General reserve (refer note 18)	Share based payments reserve (refer note 18)	Retained earning (refer note 18)	
Balance as at April 1, 2024	1,171.11	2.34	0.60	326.05	-	970.27	2,470.37
Profit for the year	-	-	-	-	-	484.90	484.90
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(1.57)	(1.57)
Total comprehensive income for the year	-	-	-	-	-	483.33	483.33
Issue of bonus equity shares	-	-	-	-	-	-	-
Premium on allotment of equity shares	-	-	-	-	-	-	-
Expenses on allotment of equity shares	-	-	-	-	-	-	-
Dividend (refer note 19)	-	-	-	-	-	(143.92)	(143.92)
Share based payments expense	-	-	-	-	3.70	-	3.70
Balance as at March 31, 2025	1,171.11	2.34	0.60	326.05	3.70	1,309.68	2,813.48

For the year ended March 31, 2024

₹ Crores

Particulars	Reserves and surplus						Total other equity
	Securities premium (refer note 18)	Capital redemption reserve (refer note 18)	Capital subsidy from government (refer note 18)	General reserve (refer note 18)	Share based payments reserve (refer note 18)	Retained earning (refer note 18)	
Balance as at April 1, 2023	210.15	2.34	0.60	326.05	-	720.03	1,259.17
Profit for the year	-	-	-	-	-	367.50	367.50
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(1.68)	(1.68)
Total comprehensive income for the year	-	-	-	-	-	365.82	365.82
Issue of bonus equity shares	(19.26)	-	-	-	-	-	(19.26)
Premium on allotment of equity shares	997.40	-	-	-	-	-	997.40
Expenses on allotment of equity shares	(17.18)	-	-	-	-	-	(17.18)
Dividend (refer note 19)	-	-	-	-	-	(115.58)	(115.58)
Balance as at March 31, 2024	1,171.11	2.34	0.60	326.05	-	970.27	2,470.37

Summary of material accounting policies

2

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

1 to 52

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora

Partner

Membership No. 100459

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

B. Thiagarajan

Managing Director
(DIN: 01790498)

Rajesh Parte

Company Secretary

Nikhil Sohoni

Group Chief Financial Officer

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
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	649.93	491.69
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	96.42	75.35
Finance cost	50.89	55.98
Rental income	(0.52)	(0.50)
Interest income	(12.93)	(7.36)
Equity settled share-based payment expenses	3.36	-
Gain on sale of mutual fund	(29.72)	(15.01)
Net unrealised foreign exchange gain	(0.08)	(0.05)
Loss on sale of property, plant and equipment	3.92	2.11
Deferred income arising on government grant	(2.71)	(5.37)
Unrealised gain on commodity hedging	1.37	(1.37)
Bad debts written off and provision for doubtful debts	39.08	54.01
Provisions and liabilities written back	(26.50)	(51.33)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	772.51	598.15
Adjustment for movement in working capital :		
(Increase)/decrease in trade receivables	(56.05)	(525.54)
(Increase)/decrease in inventories	(546.81)	81.14
(Increase)/decrease in financial assets / other assets	(227.92)	(43.65)
(Increase)/decrease in contract assets	(131.48)	(128.45)
Increase/(decrease) in trade payables	779.81	194.33
Increase/(decrease) in financial liabilities / other liabilities	118.72	135.25
Increase/(decrease) in contract liabilities	67.76	46.84
Increase/(decrease) in government grants	9.59	2.92
Increase/(decrease) in provisions	36.52	8.78
Cash generated from operations	822.65	369.77
Direct taxes paid	(160.45)	(122.94)
Net cash generated from operating activities (A)	662.20	246.83
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangibles under development]	(258.15)	(235.73)
Government grants toward purchase of equipment	2.71	2.63
Proceeds from sale of property, plant and equipment	2.26	5.08
Sale of current investments	5,008.99	5,110.30
Purchase of current investments	(5,178.22)	(5,165.53)
Purchase of equity instruments of subsidiary companies measured at cost	(50.40)	(437.07)
Inter corporate deposit repaid by subsidiary	50.00	35.00
Inter corporate deposit given to subsidiary	(85.00)	(25.00)
Rent received	0.52	0.50
Interest received	12.37	11.18
Net cash used in investing activities (B)	(494.92)	(698.64)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter corporate deposit taken from subsidiary	245.00	85.00
Inter corporate deposit repaid to subsidiary	(205.00)	(120.00)
Commercial papers borrowed	925.00	1,525.00
Commercial papers repaid	(925.00)	(1,575.00)
Proceeds from current borrowings (net)	43.54	18.17
Repayment of non-current borrowings	-	(325.00)
Proceeds from non-current borrowings	-	150.00
Repayment of lease liabilities	(29.97)	(25.50)
Finance cost paid	(35.21)	(61.13)
Proceeds from issue of equity shares	-	1,000.00
Initial cost on issue of equity shares	(0.54)	(16.64)
Dividend paid to owners of the company	(143.92)	(115.81)
Net cash (used in) / generated from financing activities (C)	(126.10)	539.09
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	41.18	87.28
Cash and cash equivalents at the beginning of the year	258.49	171.16
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.08	0.05
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	299.76	258.49

Standalone Statement of Cash Flows

for the year ended March 31, 2025

Particulars	₹ Crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH AND CASH EQUIVALENTS COMPRISSES OF :		
Balances with banks:		
- In current accounts	96.09	118.64
- In fixed deposits	203.51	139.63
Cash on hand	0.16	0.34
Total cash and cash equivalents (refer note 14)	299.76	258.61
- Bank overdraft (refer note 20)	-	(0.12)
Balance as per statement of cash flows	299.76	258.49

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.

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2025 :

Particulars	₹ Crores		
	Non current borrowings	Current borrowings	Lease liabilities
Balance as at the beginning of the year			
Inter corporate deposit	-	235.48	76.49
Other cash flows during the year (net)	-	40.00	-
Bank overdraft	-	43.54	(29.97)
Balance as at the end of the year (excluding interest liability on borrowings)	-	318.90	46.52
Non cash changes due to :			
- Acquisitions under finance lease	-	-	123.34
- Interest on finance lease	-	-	11.60
Balance as at the end of the year (including interest liability on borrowings)	-	318.90	181.46

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

Particulars	₹ Crores		
	Non current borrowings	Current borrowings	Lease liabilities
Balance as at the beginning of the year			
Inter corporate deposit	-	477.31	86.99
Other cash flows during the year (net)	(175.00)	(35.00)	-
Current maturity of long term borrowings	175.00	(31.83)	(25.50)
Balance as at the end of the year (excluding interest liability on borrowings)	-	235.48	61.49
Non cash changes due to :			
- Acquisitions under finance lease	-	-	6.77
- Interest on finance lease	-	-	8.23
Balance as at the end of the year (Including interest liability on borrowings)	-	235.48	76.49

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements. 1 to 52

In terms of our report attached

**For Deloitte Haskins & Sells LLP
Chartered Accountants**

Ketan Vora

Partner

Membership No. 100459

Mumbai: May 07, 2025

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

Vir S. Advani

Chairman and Managing Director
(DIN: 01571278)

Rajesh Parte

Company Secretary

B. Thiagarajan

Managing Director
(DIN: 01790498)

Nikhil Sohoni

Group Chief Financial Officer

Notes to Standalone Financial Statements

for the year ended March 31, 2025

1. CORPORATE INFORMATION

Founded in 1943 by Mr. Mohan T Advani, Blue Star Limited ("the company") is a public listed company and India's leading air conditioning, commercial refrigeration, and MEP (Mechanical, Electrical, Plumbing, and Fire-fighting) contracting company. As an expert in cooling, Blue Star offers a plethora of cooling solutions and has also made inroads into water and air purification, engineering facilities management, commercial kitchen, and healthcare refrigeration. The Company's integrated business model of a Manufacturer; Engineering, Procurement, and Construction (EPC) services provider; and After-sales service provider enables it to offer comprehensive solutions for the residential, commercial, and infrastructure segments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and presentation

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

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

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

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

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

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

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and 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 3.

(c) Revenue recognition

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

i. Revenue from sale of goods :

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which generally coincides with transfer of goods to the transporters. The normal credit term is 7 to 30 days.. Indicators that control has been transferred include the establishment of the Company's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks, and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer.

The Company provides preventive maintenance services on its certain products at the time of sale.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

ii. Revenue from construction contracts :

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

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

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

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

iii. Revenue from sale of services :

Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognized on a straight line basis over the period of the performance obligation.

iv. Dividend and Interest income :

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

v. Rental income :

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

(d) 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. When the grant relates to an expense item, it is recognized as income on a systematic basis over the period that the related costs, which it is intended to compensate are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

(e) 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.

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 recognised as an expense when employees have rendered the service entitling them to the contribution. Defined benefit plan: The company

Notes to Standalone Financial Statements

for the year ended March 31, 2025

makes monthly contributions toward the employees' provident fund which is administered by a trust. In the event of an interest shortfall (between the interest declared by the Government and the interest paid by the fund) the deficiency is made good by the company, based on an actuarial valuation. The present value of the defined benefit obligation of employees' provident fund is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. The Company's liability towards gratuity is determined based on the present value of the defined benefit obligation and fair value of plan assets and the net liability or asset is recognized in the balance sheet. The net liability or asset represents the deficit or surplus in the plan (the surplus is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions). The present value of the defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. Defined benefit costs are composed of:

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

Share based payments :

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.

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.

(f) 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.

(i) 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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from commencement date to earlier of, the end of useful life of the ROU assets or the end of the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "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	60 years
Average lease term	1 to 10 years

(ii) 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

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(g) 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.

(h) 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, in which case the related current and deferred tax are also recognised in other comprehensive income or in equity, respectively.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

i. Current income tax

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

ii. Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is

settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

(i) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature, or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making projections of future financial performance.

(j) 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 straight line 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 and Machinery (Patterns, moulds and dies)	8-20

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Nature of tangible asset	Useful life (years)
Furniture and fixtures	10
Office equipment	5
Vehicles	5
Computer - desktop, laptops, servers and networks	3
Leasehold Improvements	6 or the life based on lease period, whichever is lower

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

Freehold land is not depreciated.

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

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

Capital work-in-progress and capital advance

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

(k) 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	Useful life
Software (Acquired)	6 years
Technical know how (Internally generated)	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.

Research and development costs

Research costs are expensed as incurred. Development expenditure on projects is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention and ability to complete and to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the asset.
- The ability to measure reliably the expenditure incurred during development.

Development expenditure that does not meet the above criteria is expensed as incurred.

During the period of development, the asset is tested for impairment annually.

(l) Impairment

i. Financial assets :

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

ii. Non-financial assets :

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

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

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

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset

does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

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

(m) Financial instruments

Recognition and initial measurement

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

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

Financial assets

Cash and cash equivalents

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Financial assets at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Wherever the customer has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the customer are treated as the disputed amount.

Trade Receivables

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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.

Investment in subsidiaries and joint ventures

The Company accounts for its investments in subsidiaries and joint ventures at cost less impairment in the financial statements.

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

Offsetting of financial assets and financial liabilities

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

Equity instruments

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

Derivative financial instruments

The Company enters into derivative contracts to hedge foreign currency/price risk on unexecuted firm commitments or highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on

Notes to Standalone Financial Statements

for the year ended March 31, 2025

which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Derecognition of financial instruments

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

Fair value measurement

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

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

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

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

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

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 reassessing 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.

(n) 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.

(o) Provisions and contingencies

Provisions

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

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

Warranty provisions

The estimated liability for product warranties is recorded when products are sold / or the project is

Notes to Standalone Financial Statements

for the year ended March 31, 2025

completed. These estimates are established using historical information on the nature, frequency, and average cost of warranty claims and management's estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims arise typically up to five years.

Contingencies

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

Contingent assets are not recognized in the financial statements. However, where an inflow of economic benefits is probable, the Company discloses the same in the financial statements.

Environment liabilities

E-Waste (Management) Rules 2022, as amended, requires the Company to complete the Extended Producer Responsibility targets (EPR) measured based on sales made in the preceding 10th year. Accordingly, the obligation event for e-Waste obligation arises only if Company participate in the markets in such years.

(p) Segment reporting

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

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

Segment revenue resulting from transactions with other business segments is accounted for based on the transfer price agreed between the segments.

Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

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

(q) Earnings per share

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

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

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

(r) Borrowing Costs

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

(s) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

Notes to Standalone Financial Statements

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(t) 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.

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

(u) Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from project business because the receipt of consideration is conditional on successful completion of the work. Upon completion of the work and acceptance by the customer. The amount recognised as contract assets is reclassified to trade receivables

once the amounts are billed to the customer as per the conditions of the contract. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section L 'Impairment'.

Trade receivables

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

Contract liabilities

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

Recent accounting pronouncements

New and amended IND AS effective from April 01, 2024

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, 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 or amendments and there is no impact on its Financial Statements.

New and amended IND AS 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's standalone 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 Judgements, 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 ongoing 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 standalone financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year."

Expected cost of completion of contracts

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

Contract variations

Contract variations are recognised as revenue to the extent that it is probable that they will result in revenue which can be reliably measured and is

probable that the economic benefits associated will flow to the Company. This requires the exercise of judgement by management, based on prior experience, the contract terms, manner and terms of settlement, etc.

Rebates and discounts

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

Warranties

Provision for warranty costs in respect of products sold that are still under warranty is based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period.

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 and anticipated technological changes. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

Employee benefit plans

The present value of defined benefit obligations is determined on an actuarial basis using underlying assumptions, including the discount rate, mortality 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.

Intangible asset under development

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

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) is 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 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 collectible.

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

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

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carry forward period are reduced.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

4. PROPERTY PLANT AND EQUIPMENT

Particulars	Land - freehold	Leasehold improvements	Buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total	₹ crores
Gross carrying value										
As at April 1, 2023	15.33	5.80	139.13	426.35	13.39	10.54	37.80	30.95	679.29	
Additions during the year	-	-	43.35	151.93	2.01	3.55	16.75	9.55	227.14	
Disposals / transfers during the year	-	-	(0.48)	(7.98)	(1.07)	(0.79)	(7.54)	(1.77)	(19.63)	
As at March 31, 2024	15.33	5.80	182.00	570.30	14.33	13.30	47.01	38.73	886.80	
As at April 1, 2024	15.33	5.80	182.00	570.30	14.33	13.30	47.01	38.73	886.80	
Additions during the year	-	-	24.15	95.41	8.26	4.38	29.27	4.95	166.42	
Disposals / transfers during the year	-	(0.05)	(0.03)	(9.26)	(1.73)	(0.94)	(5.25)	(13.60)	(30.86)	
As at March 31, 2025	15.33	5.75	206.12	656.45	20.86	16.74	71.03	30.08	1,022.36	
Accumulated Depreciation										
As at April 1, 2023	-	4.57	37.42	162.13	6.57	4.23	16.27	27.39	258.58	
Disposals / transfers during the year	-	-	(0.46)	(6.51)	(1.00)	(0.75)	(5.55)	(1.67)	(15.94)	
Depreciation charged for the year	-	0.49	3.84	24.92	0.81	1.53	6.65	1.44	39.68	
As at March 31, 2024	-	5.06	40.80	180.54	6.38	5.01	17.37	27.15	282.32	
As at April 1, 2024	-	5.06	40.80	180.54	6.38	5.01	17.37	27.15	282.32	
Disposals during the year	-	(0.04)	0.13	(7.51)	(1.62)	(1.40)	(3.67)	(12.68)	(26.79)	
Depreciation charged for the year	-	0.46	5.78	31.84	1.48	1.95	8.98	4.30	54.79	
As at March 31, 2025	-	5.48	46.71	204.87	6.24	5.56	22.68	18.77	310.31	
Net Book Value										
As at March 31, 2025	15.33	0.27	159.41	451.58	14.62	11.18	48.35	11.31	712.05	
As at March 31, 2024	15.33	0.74	141.20	389.76	7.95	8.29	29.64	11.57	604.48	

Note :

- All the title deeds of immovable property (other than properties on lease) are in the name of the Company.

₹ crores

Asset Held for Sale	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	-	1.63
Add : Additions during the year	-	0.15
Less : Discard and disposals made during the year	-	(1.78)
Balance as at the end of the year	-	-

5. CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	26.21	30.45
Add : Additions during the year	194.39	222.90
Less : Capitalisation during the year	(166.42)	(227.14)
Balance as at the end of the year	54.18	26.21

Note : The amount of borrowing cost capitalised during the year ended March 31, 2025 is ₹. NIL (The amount of borrowing cost capitalised during the previous year ended March 31, 2024 is ₹. 1.74 crores. The rate used to determine the amount of borrowing cost eligible for capitalisation was 1.2% which is effective interest rate of the specific borrowing).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

5. CAPITAL WORK IN PROGRESS (Contd..)

Ageing of Capital work in progress

Particulars	As at March 31, 2025					As at March 31, 2024					₹ crores
	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	53.71	0.47	-	-	54.18	22.97	2.72	0.52	-	26.21	
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-	
Total capital work in progress	53.71	0.47	-	-	54.18	22.97	2.72	0.52	-	26.21	

Note:

- Refer note 37(b) 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.

6. INVESTMENT PROPERTY

Particulars	₹ crores
Building	
Gross carrying value	*
Accumulated Depreciation	*
Net Book Value	
Fair value * (refer note 41)	7.84
As at March 31, 2025	7.84
As at March 31, 2024	7.62

Valuation is based on fair value assessment done by accredited independent valuer as defined under rule 2 of Companies (Register Valuers and Valuation), Rules 2017. Accordingly, fair value estimates for investment properties are classified as level 3.

Assets given on operating lease :-

- i) The Company has entered into lease arrangements, for renting the following :

Category of asset	Area (Sq. ft)	Period
Building (Sahas)	2050	5 years

- ii) Disclosure in respect of assets given on operating lease included in following heads:

Particulars	As at March 31, 2025	As at March 31, 2024	₹ crores
Investment Property	*	*	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

6. INVESTMENT PROPERTY (Contd..)

Movement in fair valuation of investment property

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	7.62	7.19
Add : Increase in fair valuation	0.22	0.43
Balance at the end of the year	7.84	7.62

Information regarding income and expenditure of Investment Property

Particulars	₹ crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income derived from investment property	0.52	0.50
Direct operating expenses (including repairs and maintenance) associated with investment properties	-	-
Profit arising from investment property before depreciation and indirect expenses	0.52	0.50
Less: Depreciation charged during the year	*	*
Profit arising from investment property before indirect expenses	0.52	0.50

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements.

* Indicates amount less than ₹ 1 Lakh.

7. RIGHT OF USE ASSETS

Particulars	₹ crores	
	Buildings	Total
Gross carrying value		
As at April 1, 2023	150.62	150.62
Additions during the year	7.24	7.24
Disposals / transfers during the year	(1.43)	(1.43)
As at March 31, 2024	156.43	156.43
As at April 1, 2024	156.43	156.43
Additions during the year	128.81	128.81
As at March 31, 2025	285.24	285.24
Accumulated amortisation		
As at April 1, 2023	69.48	69.48
Amortisation for the year	19.82	19.82
As at March 31, 2024	89.30	89.30
As at April 1, 2024	89.30	89.30
Amortisation for the year	28.05	28.05
As at March 31, 2025	117.35	117.35
Net book value		
As at March 31, 2025	167.89	167.89
As at March 31, 2024	67.13	67.13

Notes to Standalone Financial Statements

for the year ended March 31, 2025

8A. INTANGIBLE ASSETS

Particulars	Technical knowhow (Internally Generated)	Software (Acquired)	₹ crores Total
Gross carrying value			
As at April 1, 2023	84.75	99.50	184.25
Additions during the year	36.67	19.15	55.82
Disposals / transfers during the year	(1.44)	(0.01)	(1.45)
As at March 31, 2024	119.98	118.64	238.62
As at April 1, 2024	119.98	118.64	238.62
Additions during the year	15.51	30.21	45.72
Disposals / transfers during the year	(37.80)	(0.39)	(38.19)
As at March 31, 2025	97.69	148.46	246.15
Accumulated amortisation			
As at April 1, 2023	55.54	70.82	126.36
Disposals / transfers during the year	-	(0.02)	(0.02)
Amortisation for the year	9.13	11.11	20.24
As at March 31, 2024	64.67	81.91	146.58
As at April 1, 2024	64.67	81.91	146.58
Disposals / transfers during the year	(35.61)	(0.39)	(36.00)
Amortisation for the year	10.62	12.93	23.55
As at March 31, 2025	39.68	94.45	134.13
Net book value			
As at March 31, 2025	58.01	54.01	112.02
As at March 31, 2024	55.31	36.73	92.04

8B. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ crores	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year			
Add : Additions during the year		18.96	22.32
Less : Capitalisation during the year		76.57	52.46
Balance as at the end of the year		(45.72)	(55.82)
		49.81	18.96

INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing of Intangible assets under development

Particulars	As at March 31, 2025					₹ crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	42.97	6.61	0.23	-	49.81	
Projects temporarily suspended	-	-	-	-	-	
Total Intangible assets under development	42.97	6.61	0.23	-	49.81	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

8B. INTANGIBLE ASSETS UNDER DEVELOPMENT (Contd..)

₹ crores

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	17.54	1.34	0.08	-	18.96
Projects temporarily suspended	-	-	-	-	-
Total Intangible assets under development	17.54	1.34	0.08	-	18.96

Note: There are no projects / items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.

9. INVESTMENTS

₹ crores

Particulars	As at March 31, 2025	As at March 31, 2024		
I. Non current investments				
Investments carried at cost reduced by accumulated impairment				
Investment in equity instruments				
Investment in subsidiaries				
March 31, 2025 : 5,29,25,052 (March 31, 2024 : 5,29,25,052) fully paid equity shares of ₹ 2 each in Blue Star Engineering and Electronics Ltd.	210.89	210.89		
March 31, 2025 : 49 (March 31, 2024 : 49) fully paid equity shares of QR 2000 each in Blue Star Qatar (WLL)	0.12	0.12		
March 31, 2025: 5,350 (March 31, 2024: 5,350) Fully Paid Equity Shares of AED 1000 each in Blue Star International FZCO	9.81	9.81		
March 31, 2025 : 54,44,40,000 (March 31, 2024 : 51,50,00,000) fully paid equity shares of ₹ 10 each in Blue Star Climatech Ltd.	544.44	515.00		
March 31, 2025 : 15,000 (March 31, 2024 : 15,000) fully paid equity shares of USD 100 each in Investment in Blue Star North America Inc	12.41	12.41		
March 31, 2025 : 2,10,000 (March 31, 2024 : 1,00,000) fully paid equity shares of EUR 10 in Investment in Blue Star Europe BV	18.95	8.93		
Investment in Blue Star Japan LLC	20.94	10.00		
Investment in Joint Ventures (Refer Note 38)				
March 31, 2025 : 2,55,000 (March 31, 2024 : 2,55,000) Fully paid Equity shares of OMR 1 each in Blue Star Oman Electro-Mechanical Co. LLC	4.34	4.34		
Less: Impairment	(4.34)	(4.34)		
Total non current investments	817.56	767.16		
Aggregate amount of unquoted investments at cost				
	817.56	767.16		
II. Current investments				
Investment in units of mutual funds measured at FVTPL				
Investment in unquoted units of mutual funds				
Growth Scheme				
19,667.950 Units (March 31, 2024: 47,482.746 Units) in HDFC Mutual Fund	10.02	22.52		
22,81,982.577 Units (March 31, 2024: 1,64,866.858 Units) in ICICI Prudential Mutual Fund	85.95	5.89		
NIL Units (March 31, 2024: 93,252.90 Units) in SBI Mutual Fund	-	35.24		
3,23,471.223 Units (March 31, 2024: 1,16,697.63 Units) in UTI Mutual Fund	99.00	38.78		

Notes to Standalone Financial Statements

for the year ended March 31, 2025

9. INVESTMENTS (Contd..)

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
5,26,422.192 units (March 31, 2024: 11,74,407.43 Units) in Aditya Birla Mutual Fund	22.05	45.76
1,27,147.352 Units (March 31, 2024: 678.30 Units) in Axis Mutual Fund	36.66	0.18
67,25,079.427 Units (March 31, 2024: NIL Units) in Kotak Mutual Fund	36.41	-
2,39,822.529 Units (March 31, 2024: 96,580.50 Units) in Nippon India Mutual Fund	98.85	41.62
Total current investments	388.94	189.99
Aggregate amount of unquoted investments at FVTPL	388.94	189.99

10. LOANS (UNSECURED 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
Measured at amortised cost				
Loans to employees, considered good	19.54	5.53	4.21	2.07
Inter corporate deposit given to subsidiary (related party - refer note no. 38)	-	-	60.00	25.00
Loan to joint venture - credit impaired (related party - refer note 38)	4.46	4.46	-	-
Less: Loss allowance	(4.46)	(4.46)	-	-
Total loans	19.54	5.53	64.21	27.07

Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015

Details of loans and advances in the nature of loans to related party :

Particulars	Purpose	As at March 31, 2025		As at March 31, 2024	
		Maximum amount outstanding	Amount outstanding	Maximum amount outstanding	Amount outstanding
Loan to Blue Star Climatech Limited	For working capital	60.00	60.00	35.00	25.00

- a. 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.
- b. Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

Notes to Standalone Financial Statements

for the year ended March 31, 2025

10. LOANS (UNSECURED UNLESS OTHERWISE STATED) (Contd..)

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c. Loan given to employees are as per terms of employment.

11. OTHER FINANCIAL ASSETS

₹ crores

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Security deposits, considered good	28.37	22.57	11.06	11.33
Security deposits, credit impaired	-	-	2.91	2.39
Less: Loss allowance	-	-	(2.91)	(2.39)
	28.37	22.57	11.06	11.33
Bank deposits with more than 12 months maturity (including accrued interest thereon) (refer note a)	3.65	3.90	-	-
Interest accrued on fixed deposit	-	-	-	0.60
Other financial assets (Insurance claim and grant receivable from Mr. Ashok M. Advani (promoter))	-	-	13.65	18.12
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts (refer note b)	-	-	-	0.16
Commodity forward contracts (refer note c)	-	-	-	1.36
Total other financial assets	32.02	26.47	24.71	31.57

(a) Margin money deposits

Margin money deposits with a carrying amount of ₹ 3.65 Crores (As at March 31, 2024 : ₹ 3.90 Crores) are subject to a first charge as security deposit with customers.

(b) 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.

(c) Commodity forward contracts

The Company enters into commodity exchange forward contracts with the intention of reducing the fluctuation in price for the purchase of copper, aluminium and other raw material inputs. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

12. INVENTORIES (Valued at lower of cost and net realisable value)

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Raw materials and components	757.99	495.24
Work-in-progress	109.99	93.08
Finished goods	373.64	295.03
Stock-in-trade	458.51	275.43
Store and Spares	79.34	73.88
Total inventories	1,779.47	1,232.66
Inventories includes goods-in-transit		
Raw materials and components	85.00	62.86
Finished goods	39.84	24.63
Stock-in-trade	54.43	17.90
Total goods-in-transit	179.27	105.39

The above inventory values are net of provisions made of ₹ 31.58 crores (March 31, 2024 : ₹ 34.37 crores) for slow moving, obsolete and defective inventory.

During the year, write down on value of inventory of ₹ 7.99 crores (March 31, 2024 ₹ 3.47 crores) recognised in Statement of Profit and Loss.

13. TRADE RECEIVABLES

Particulars	₹ crores	
	Current	
	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - unsecured	1,887.77	1,875.26
Trade receivables - credit impaired	60.61	37.20
	1,948.38	1,912.46
Less: Allowance for doubtful debts and credit loss	(131.39)	(112.79)
Total trade receivables	1,816.99	1,799.67

- (i) Trade receivables are on non interest bearing credit terms and the credit period of the products are determined by the type of the products. In case of long term construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short term advances are received as per payment terms in the contract, before the performance obligation is satisfied.
- (ii) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables and contract assets. The Company follows the simplified approach for recognition of impairment allowance on trade receivables and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

13. TRADE RECEIVABLES (Contd..)

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

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	112.79	98.02
Add: Impairment loss recognised (refer note 34)	40.95	51.51
Less: Allowances provided earlier written back	(3.91)	(1.96)
Less: Allowances provided earlier written off as bad debts (refer note 34)	(18.44)	(34.78)
Balance as at the end of the year	131.39	112.79

Ageing of trade receivables

Particulars	₹ crores						
	As at March 31, 2025						
	Outstanding for following periods from due date of payments						Total
Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed							
Trade receivables considered good - unsecured	912.05	787.10	101.06	62.31	13.63	11.62	1,887.77
Trade receivables - credit impaired	-	0.82	4.32	10.15	29.59	15.73	60.61
	912.05	787.92	105.38	72.46	43.22	27.35	1,948.38
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	912.05	787.92	105.38	72.46	43.22	27.35	1,948.38
Total trade receivables							
Less: Allowance for doubtful debts and credit loss							(131.39)
Total trade receivables	912.05	787.92	105.38	72.46	43.22	27.35	1,816.99

Notes to Standalone Financial Statements

for the year ended March 31, 2025

13. TRADE RECEIVABLES (Contd..)

Ageing of trade receivables

Particulars	As at March 31, 2024							₹ crores	
	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	827.30	819.89	115.67	75.02	14.88	22.50	1,875.26		
Trade receivables - credit impaired	-	0.36	0.41	21.19	8.70	6.54	37.20		
	827.30	820.25	116.08	96.21	23.58	29.04	1,912.46		
Disputed									
Trade receivables considered good - unsecured	-	-	-	-	-	-	-		
Trade receivables - credit impaired	-	-	-	-	-	-	-		
	827.30	820.25	116.08	96.21	23.58	29.04	1,912.46		
Total trade receivables	827.30	820.25	116.08	96.21	23.58	29.04	1,912.46		
Less: Allowance for doubtful debts and credit loss							(112.79)		
Total trade receivables	827.30	820.25	116.08	96.21	23.58	29.04	1,799.67		

14. CASH AND CASH EQUIVALENTS

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Balances with banks:		
- In current accounts	96.09	118.64
- Deposits with original maturity of less than 3 months	203.51	139.63
Cash on hand	0.16	0.34
Total cash and cash equivalents	299.76	258.61

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

15. OTHER BANK BALANCES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Other bank balances		
- Unpaid dividend* (refer note - 23)	3.62	3.61
- Deposits with original maturity of more than 3 months but less than 12 months	2.63	-
- Cash and Bank balance not available for immediate use	0.09	0.09
Total other bank balances	6.34	3.70

* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

16A. OTHER ASSETS

Particulars	₹ crores			
	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Retention	-	-	66.77	17.34
Capital advances	10.42	4.33	-	-
Balances with statutory authorities	24.47	30.58	158.78	67.58
Less : Loss allowance	(5.80)	(5.80)	-	-
Balance with statutory authorities (Net)	18.67	24.78	158.78	67.58
Advance to suppliers	-	-	94.68	66.81
Less : Loss allowance	-	-	(1.00)	(1.00)
Advance to suppliers (Net)	-	-	93.68	65.81
Prepaid expenses	0.41	0.27	61.28	28.91
Government grant receivable	-	-	14.50	3.91
Total other assets	29.50	29.38	395.01	183.55

16B. CONTRACT ASSETS (CURRENT)

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Contract assets (Unsecured, considered good)	844.24	723.59
Less: Loss allowance	(28.29)	(39.12)
Total contract assets (net)	815.95	684.47

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

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	39.12	26.13
Impairment loss recognised / (reversal)	14.02	25.44
Less : Allowances provided earlier written off	(24.85)	(12.45)
Balance as at the end of the year	28.29	39.12

Notes to Standalone Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL

Authorised Share capital	Equity shares of ₹ 2 each		Unclassified shares of ₹ 100 each		7.8% cumulative convertible preference shares of ₹ 100 each		Cumulative compulsorily convertible preference shares of ₹ 10 each	
	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores
At April 1, 2023	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2024	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2025	28,36,00,000	56.72	16,000	0.16	10,000	0.10	5,20,000	0.52

Issued, subscribed and paid up share capital	Equity shares of ₹ 2 each		Unclassified shares of ₹ 100 each		7.8% cumulative convertible preference shares of ₹ 100 each		Cumulative compulsorily convertible preference shares of ₹ 10 each	
	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores	Number of shares	₹ Crores
At April 1, 2023	9,63,13,888	19.26	-	-	-	-	-	-
Increase/(Decrease) during the year	10,93,00,900	21.86	-	-	-	-	-	-
At March 31, 2024	20,56,14,788	41.12	-	-	-	-	-	-
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2025	20,56,14,788	41.12	-	-	-	-	-	-

Terms/Rights attached to Equity Shares

The Company has one class of equity shares having par value of ₹ 2 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL (Contd..)

Terms/Rights attached to 7.8 % 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.

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	20,56,14,788	41.12	9,63,13,888	19.26
Issue of bonus shares (refer note a)	-	-	9,63,13,888	19.26
Issue of share through QIP (refer note b)	-	-	1,29,87,012	2.60
Balance as at the end of the year	20,56,14,788	41.12	20,56,14,788	41.12

Note:

- Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.
- The Company raised capital of ₹ 1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the allotment of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹ 768 per equity share).

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	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	2,39,11,202	11.63%	2,39,11,202	11.63%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	1,55,69,860	7.57%	1,56,99,860	7.64%
SBI Small Cap Fund	81,40,038	3.96%	1,59,32,066	7.75%
Kotak Emerging Equity Scheme	91,55,646	4.45%	1,20,67,756	5.87%

Aggregate number of equity shares as bonus, shares issued for consideration other than cash

Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL (Contd..)

Shareholding pattern of promoters and changes in holding during the year

Shares held by promoters at the end of the year		As at March 31, 2025			As at March 31, 2024		
Name of Promoters		Number of shares	% of total shares	% Changes during the year	Number of shares	% of total shares	% Changes during the year
Suneel Mohan Advani	Promoter	24,54,992	1.19 %	0.00 %	24,54,992	1.19 %	100.00 %
Vir S Advani	Promoter	22,12,550	1.08 %	2.95 %	21,49,250	1.05 %	100.00 %
Ria Talati Advani	Promoter Group	28,300	0.01 %	0.00 %	-	0.00 %	0.00 %
Sunaina Murthy	Promoter	21,45,050	1.04 %	0.00 %	21,45,050	1.04 %	100.00 %
Dinesh Nanik Vaswani	Promoter	53,888	0.03 %	0.00 %	53,888	0.03 %	100.00 %
Suneeta Nanik Vaswani	Promoter Group	16,54,644	0.80 %	(6.02)%	17,60,644	0.86 %	84.49 %
Rohina Lulla	Promoter Group	43,49,260	2.12 %	0.00 %	43,49,260	2.12 %	272.18 %
Anissa Khanna	Promoter Group	42,65,646	2.07 %	0.00 %	42,65,646	2.07 %	278.57 %
Nargis Suneel Advani	Promoter Group	22,73,872	1.11 %	0.00 %	22,73,872	1.11 %	100.00 %
Sanjay N Vaswani	Promoter Group	2,43,950	0.12 %	0.00 %	2,43,950	0.12 %	100.00 %
Armaan Sandeep Murthy	Promoter Group	1,00,000	0.05 %	0.00 %	1,00,000	0.05 %	100.00 %
Jay Talati Advani	Promoter Group	1,00,000	0.05 %	0.00 %	1,00,000	0.05 %	100.00 %
Sumer Sandeep Murthy	Promoter Group	1,00,000	0.05 %	0.00 %	1,00,000	0.05 %	100.00 %
Uday Vir Advani	Promoter Group	1,00,000	0.05 %	0.00 %	1,00,000	0.05 %	100.00 %
Anita Ashok Advani*	Promoter Group	60,000	0.03 %	0.00 %	60,000	0.03 %	100.00 %
Dev Khanna	Promoter Group	39,250	0.02 %	0.00 %	39,250	0.03 %	100.00 %
Preeti Vaswani	Promoter Group	53,700	0.03 %	0.00 %	53,700	0.02 %	100.00 %
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	Promoter Group	2,39,11,202	11.63 %	0.00 %	2,39,11,202	11.63 %	100.00 %
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	1,55,69,860	7.57 %	(0.83)%	1,56,99,860	7.64 %	103.37 %
Ashok Mohan Advani as a Trustee of Suneeta Padmi Trust	Promoter Group	11,75,344	0.57 %	0.00 %	11,75,344	0.57 %	100.00 %
Vistra Itcl (India) Limited as a Trustee of NSA Family Trust	Promoter Group	46,00,000	2.24 %	0.00 %	46,00,000	2.24 %	100.00 %

Notes to Standalone Financial Statements

for the year ended March 31, 2025

17. EQUITY SHARE CAPITAL (Contd..)

Name of Promoters	Promoter Group	As at March 31, 2025			As at March 31, 2024		
		Number of shares	% of total shares	% Changes during the year	Number of shares	% of total shares	% Changes during the year
Vistra Itcl (India) Limited as a Trustee of SNA Family Trust	Promoter Group	46,00,000	2.24 %	0.00 %	46,00,000	2.24 %	100.00 %
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	11,74,784	0.57 %	2.31 %	11,48,284	0.56 %	106.66 %
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	11,74,780	0.57 %	2.31 %	11,48,280	0.56 %	106.66 %
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	11,74,780	0.57 %	2.31 %	11,48,280	0.56 %	106.66 %
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	11,74,778	0.57 %	2.31 %	11,48,278	0.56 %	106.66 %
J.T.Advani Advisory Private Limited	Promoter Group	1,04,344	0.05 %	0.00 %	1,04,344	0.05 %	100.00 %
Iman Rajiv Lulla	Promoter Group	39,250	0.02 %	0.00 %	39,250	0.02 %	100.00 %
Rana Rajiv Lulla	Promoter Group	39,250	0.02 %	0.00 %	39,250	0.02 %	100.00 %
Ashwin Vaswani	Promoter Group	12,000	0.01 %	0.00 %	12,000	0.01 %	100.00 %
Nandeeta Vaswani	Promoter Group	12,000	0.01 %	0.00 %	12,000	0.01 %	100.00 %

*Anita Ashok Advani passed away on November 13, 2024.

18. OTHER EQUITY

₹ crores

S. no.	Particulars	As at March 31, 2025	As at March 31, 2024
I	Security Premium		
	Balance at the beginning of the year	1,171.11	210.15
	Add: Issue of bonus equity shares	-	(19.26)
	Add: Premium on allotment of equity shares	-	997.40
	Less: Expenses on allotment of equity shares	-	(17.18)
	Balance at the end of the year	1,171.11	1,171.11
II	Capital redemption reserve	2.34	2.34
III	Capital subsidy from government	0.60	0.60
IV	General Reserve	326.05	326.05
V	Share based payments reserve		
	Balance at the beginning of the year	-	-
	Add: Share based payment expenses	3.70	-
	Balance at the end of the year	3.70	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. OTHER EQUITY (Contd..)

S. no.	Particulars	₹ crores	
VI		As at March 31, 2025	As at March 31, 2024
VI	Retained Earnings		
	Balance at the beginning of the year	970.27	720.03
	Add: Profit for the year	484.90	367.50
	Less: Other comprehensive income / (loss) for the year (net of tax) [Re-measurement gains/(losses) on defined benefit plans]	(1.57)	(1.68)
	Less: Dividend	(143.92)	(115.58)
	Balance at the end of the year	1,309.68	970.27
	Total other equity	2,813.48	2,470.37

- (I) **Securities premium** – Where the Company issues shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium Reserve”. The Company may use this reserve for the purpose allowed under Section 52 of the Companies Act, 2013.
- (II) **Share based payment** - The Company has an employee share option scheme under which options to subscribe for the Company's shares have been granted to the key employees and directors. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to the key employees and directors as part of their remuneration. Refer to Note 51 for further details of the scheme.
- (III) **Capital redemption reserve** - Capital redemption reserve was created in an earlier year for buy-back of shares.
- (IV) **Capital subsidy received from government** – Subsidy was received towards setting up of a factory in the state of Himachal Pradesh during the years ended March 31, 2009 and March 31, 2013.
- (V) **General reserve** - General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of bonus shares.
- (VI) **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 entirely.

19. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Dividend declared and paid during the year:		
Final dividend for the year ended March 31, 2024 : ₹ 7 per share (March 31, 2023 : ₹ 6)	143.92	115.58
Total Dividend Declared and Paid	143.92	115.58
Proposed Dividend on equity shares:		
Final dividend recommended by the board of directors for the year ended March 31, 2025 : ₹ 9 per equity share (March 31, 2024 : ₹ 7 per equity share) subject to approval at the ensuing annual general meeting	185.05	143.92

Notes to Standalone Financial Statements

for the year ended March 31, 2025

20. BORROWINGS

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Current borrowings		
Unsecured		
Working Capital Demand Loan from banks (note a and b)	45.00	-
Commercial papers		
- from bank (note c)	98.90	99.78
Inter corporate deposit received from a subsidiary (related party - refer note no. 38)	125.00	85.00
Packing credit loan from banks (note a)	-	50.58
Short term loans from banks (note a)	50.00	-
Cash credit / bank overdrafts (note a)	-	0.12
Total current borrowings	318.90	235.48
Aggregate unsecured loans	318.90	235.48
Total borrowings	318.90	235.48

- a. Outstanding loans carry an average interest rate ranging from 7.44% -7.46 % p.a. (March 31, 2024 : 5.21% - 5.50% p.a.).
 - b. The Company has been sanctioned working capital limits in excess of Rs. 5 crores from banks on the basis of security of current assets. 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 differences exist. The Company has not been sanctioned any working capital facility from financial institutions.
 - c. Outstanding Commercial papers carry interest rate @ 7.45% p.a. (March 31, 2024 : 8.00 % p.a.) for the current year. This is repayable within range of 91 days from the date of drawdown.
 - d. Outstanding Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 7.22%-7.33% p.a. ((March 31, 2024 : 7.61% to 7.82% p.a.) linked to 3 Months T bill + 0.75% with frequency of interest being paid on last day of the quarter.
- Repayment upon expiry of the tenor or at such time as may be decided by both the parties.
- e. The company has utilised the funds borrowed from banks and financial institution for the purpose it was taken.
 - f. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
 - g. The Company have not been declared as wilful defaulter by any bank, financial institutions or other lender.
 - h. The Company has not received any fund from any person or entity, including foreign entities with the understanding (whether recorded in writing or otherwise) that the company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

21. TRADE PAYABLES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises	229.41	197.11
Total outstanding dues of creditors other than micro and small enterprises	2,927.48	2,202.39
Total trade payables	3,156.89	2,399.50

DISCLOSURE AS PER SECTION 22 OF MSME ACT

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	219.47	191.25
(ii) Interest due on above	4.08	3.70
(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.	-	-
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year*	9.94	5.86
(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.	9.94	5.86
	229.41	197.11

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

Particulars	₹ crores					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	501.05	-	-	-	-	501.05
Undisputed						
Dues to micro and small enterprises	205.54	20.44	1.73	0.48	1.22	229.41
Dues of creditors other than micro and small enterprises	2,061.47	337.99	11.12	6.32	9.11	2,426.01
	2,768.06	358.43	12.85	6.80	10.33	3,156.47

Notes to Standalone Financial Statements

for the year ended March 31, 2025

21. TRADE PAYABLES (Contd..)

Particulars	As at March 31, 2025					₹ crores
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	0.08	0.34	0.42
Total payables	2,768.06	358.43	12.85	6.88	10.67	3,156.89

Ageing of payables

Particulars	As at March 31, 2024					₹ crores
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Acceptances						
Acceptances	328.13	-	-	-	-	328.13
Undisputed						
Dues to micro and small enterprises	162.43	32.67	0.57	0.78	0.66	197.11
Dues of creditors other than micro and small enterprises	1,544.52	315.66	7.21	2.15	4.41	1,873.95
Total payables	2,035.08	348.33	7.78	2.93	5.07	2,399.19
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	0.31	0.31
Total payables	2,035.08	348.33	7.78	2.93	5.38	2,399.50

22. LEASE LIABILITIES

Particulars	Non-current		Current		₹ crores
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Lease Liabilities	137.22	55.85	44.24	20.64	
Total lease liabilities	137.22	55.85	44.24	20.64	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

22. LEASE LIABILITIES (Contd..)

	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Movement in lease liabilities		
Balance as at the beginning of the year	76.49	86.99
Addition during the year	123.34	6.77
Add: Interest for the year	11.60	8.23
Less : Paid during the year	(29.97)	(25.50)
Balance as at the end of the year	181.46	76.49

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

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities		
Upto 3 months	14.65	7.24
3 -6 months	14.65	7.10
6-12 months	29.29	13.94
1-3 years	99.44	35.62
3-5 years	66.66	20.78
Above 5 years	18.70	14.93
Total undiscounted lease liabilities	243.39	99.61

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
Amounts recognised in the statement of profit and loss		
Depreciation expenses	24.53	19.82
Interest on lease liabilities	11.60	8.23
Expense relating to short term lease	2.17	0.12
Expense relating to lease of low value assets	5.96	0.65
Variable lease payments	76.03	72.87
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(29.97)	(25.50)

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

22. LEASE LIABILITIES (Contd..)

Variable lease payments

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

Extension and termination options

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

23. OTHER FINANCIAL LIABILITIES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Derivatives not designated as hedges		
Foreign exchange forward contracts (refer note below)	2.54	-
Financial liabilities at amortized cost		
Other deposits	10.96	9.14
Unpaid Dividend (refer note "a" and note 15)	3.62	3.61
Payable for capital goods	31.31	22.48
Total other financial liabilities	48.43	35.23

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.

a) Unpaid Dividend

Dividend	₹ crores	
	As at March 31, 2025	As at March 31, 2024
2016-17 (Final)	-	0.65
2017-18 (Final)	0.61	0.65
2018-19 (Final)	0.51	0.58
2019-20 (Interim)	0.49	0.57
2020-21 (Final)	0.17	0.20
2021-22 (Final)	0.41	0.46
2022-23 (Final)	0.46	0.50
2023-24 (Final)	0.97	-
Total	3.62	3.61

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

24A. OTHER CURRENT LIABILITIES

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Advances from customers	577.75	436.83
Dues to statutory bodies	107.55	151.50
Others (Retirals benefit payable, customer credit balance)	35.74	16.98
Total other current liabilities	721.04	605.31

24B. CONTRACT LIABILITIES

Particulars	₹ crores			
	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Contract liabilities from construction contracts	-	-	163.76	103.50
Contract liabilities from annual maintenance contract services	0.01	1.15	86.04	78.54
Total Contract liabilities	0.01	1.15	249.79	182.04

25. PROVISIONS

Particulars	₹ crores			
	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits				
Provision for gratuity (refer note 36)	1.87	-	-	3.48
Compensated absences	-	-	20.85	15.97
Additional gratuity (refer note 36)	0.46	0.42	0.10	0.09
	2.33	0.42	20.95	19.54
Other provisions				
Provision for customer warranties	22.68	15.49	46.59	16.27
Provision for foreseeable loss	-	-	1.05	2.31
Provision for obligation towards guarantee given	-	-	1.09	1.09
Other provisions	-	-	9.96	11.45
	22.68	15.49	58.69	31.12
Total provisions	25.01	15.91	79.64	50.66

Notes to Standalone Financial Statements

for the year ended March 31, 2025

25. PROVISIONS (Contd..)

Provision for warranties

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	31.76	26.94
Add:- Additional provisions made during the year	70.81	26.49
Less:- Amount used during the year	(31.58)	(21.00)
Add / (less) : Effect of change in provision on account of discounting during the year	(1.73)	(0.67)
Balance as at the end of the year	69.26	31.76
Current portion	46.59	16.27
Non-current portion	22.68	15.49

Provision for service warranties relates mainly for goods sold during the year ended March 31, 2025 and March 31, 2024. The provision has been based upon historical warranty data. The above values are for standard manufacturing warranty and which are usually expected to be settled between 0 to 10 years from the date of sale of product based on the component type offered by the company.

Other provisions movement for the year ended March 31, 2025

Particulars	₹ crores		
	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	2.31	1.09	11.45
Add:- Additional provisions made during the year	14.84	-	-
Less : Utilized / reversed during the year	(16.10)	-	(1.49)
Balance as at the end of the year	1.05	1.09	9.96

Other provisions movement for the year ended March 31, 2024

Particulars	₹ crores		
	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	1.38	1.09	9.33
Add:- Additional provisions made during the year	6.99	-	2.12
Less : Utilized / reversed during the year	(6.06)	-	-
Balance as at the end of the year	2.31	1.09	11.45

Foreseeable loss

A provision for foreseeable loss on contract with customers is recognised when it is probable that the contract cost will exceed the total contract revenue or when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

Other Provisions

The Company has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur / pay for which the obligating event has already arisen as on the reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

26. GOVERNMENT GRANTS

Government Grants movement for the year ended March 31, 2025 and March 31, 2024

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	8.83	8.65
Add: Additions during the year	12.30	2.82
Less: Amortised during the year	(2.71)	(2.64)
Balance as at the end of the year	18.42	8.83
Current	1.52	1.18
Non-Current	16.90	7.65

Government grants are towards the purchase of certain items of property, plant and equipment.

27. 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	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	76.12	68.81
Less: Current tax payable for the year	(163.91)	(115.63)
Add: Taxes paid	160.45	122.94
Balance as at the end of the year	72.66	76.12

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

(b) Deferred tax assets / Deferred tax liabilities

The breakup of Deferred tax asset is as follows:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Deferred tax asset - [A]		
Provision for loss allowance	33.07	28.88
Provisions made disallowed and allowed only on payment basis	24.28	17.55
Lease Liabilities	45.67	19.25
Security Deposit on ROU	1.03	(0.26)
Others (ROU, ICDS adjustments, etc.)	3.05	3.95
Deferred tax liability - [B]		
Differences between book and tax depreciation	(69.25)	(56.31)
Others (ROU, ICDS adjustments, etc.)	(42.26)	(16.89)
Deferred tax asset / (Deferred tax liabilities) (net) - [A-B]	(4.41)	(3.83)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

27. INCOME TAX (Contd..)

Movement in deferred tax assets / deferred tax liabilities (net)

Particulars	Charge/ (Credit) to Statement of P&L	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax asset -		
Provision for loss allowance	(4.19)	(4.21)
Provisions made disallowed and allowed only on payment basis	(6.73)	(9.37)
Lease Liabilities	(26.42)	
Security Deposit on ROU	(1.29)	
Deferred tax liability -		
Differences between book and tax depreciation	12.94	22.91
ROU Assets	25.37	-
Others (ICDS adjustment, etc)	0.91	(1.33)
Total	0.59	8.00

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

Particulars	₹ crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before Income tax		
Income tax at India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)	163.57	123.75
Expenses not allowed for tax purpose	3.87	2.85
Additional allowances for tax purpose	(0.84)	(0.24)
Tax savings on account of long term capital gains tax paid at lower rate	-	-
Others	(1.58)	(2.16)
Income tax at effective tax rate	165.02	124.19

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

Particulars	₹ crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Current tax		
Current tax on profit for the year	164.44	116.19
Total current tax expense	164.44	116.19
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	39.22	22.91
Decrease/(Increase) in deferred tax assets	(38.63)	(14.91)
Total deferred tax expense/(benefit)	0.59	8.00
Income tax expense	165.03	124.19

Notes to Standalone Financial Statements

for the year ended March 31, 2025

27. INCOME TAX (Contd..)

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

Particulars	₹ crores	For the Year ended March 31, 2025	For the year ended March 31, 2024
i) Current tax			
Remeasurement gain/(loss) on defined benefit plans		(0.53)	(0.56)
Total current tax expense		(0.53)	(0.56)
ii) Deferred tax			
Fair value of equity investment		*	*
Effective portion of gain/(loss) on cash flow hedges		*	*
Total deferred tax expense/(benefit)		*	*
Income tax expense		(0.53)	(0.56)

* Indicates amount less than ₹ 1 lakh.

28. REVENUE FROM OPERATIONS

Particulars	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Sale of products	7,489.00	5,895.55	
Revenue from construction contracts	2,977.22	2,315.31	
Sale of services	763.11	687.27	
Other operating revenue			
- Provisions and liabilities no longer required	26.50	51.33	
- Shared service recovery	13.97	5.56	
- Scrap sales	33.47	30.27	
- Others (includes export benefits, duty drawbacks etc.)	22.48	13.59	
Total revenue from operations	11,325.75	8,998.88	

29. OTHER INCOME

Particulars	₹ crores	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest income			
Financial instruments measured at amortised cost:			
- Bank deposits	3.98	3.78	
- Others	8.95	3.58	
Other non-operating income			
Rental income	0.52	0.50	
Gain on investments measured at FVTPL	29.72	15.01	
Amortisation of government grant	2.71	2.63	
Grants related to income	-	2.74	
Fair value gain on financial instruments designated as FVTPL	-	1.36	
Others (income from bill discounting, interest on refund of direct tax, etc.)	15.70	11.70	
Total other income	61.58	41.30	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

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

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cost of material consumed	3,557.55	2,976.71
Project cost (including bought outs)	2,594.16	2,034.67
AMC subcontracting and other service cost	441.89	402.58
Total cost of material consumed (including direct project and service cost)	6,593.60	5,413.96
Purchase of stock-in-trade	2,517.77	1,509.24
Inventories at the end of the year		
Traded goods	458.51	275.43
Work-in-progress	109.99	93.08
Finished goods	373.64	295.03
	942.14	663.54
Inventories at the beginning of the year		
Traded goods	275.43	389.45
Work-in-progress	93.08	89.01
Finished goods	295.03	293.74
	663.54	772.20
Total change in inventories of finished goods, work-in-progress and stock-in-trade	(278.60)	108.64

31. EMPLOYEE BENEFITS EXPENSES

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, wages and bonus	665.07	532.77
Contribution to provident and other funds	20.99	17.64
Gratuity expense (refer note 36)	5.94	4.74
Staff welfare expenses	52.32	42.03
Share based payment to employees (refer note 51)	3.36	-
Total employee benefits expense	747.69	597.19

32. FINANCE COSTS

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest on non convertible debenture	-	2.33
(b) Interest on other borrowings (refer note below)	27.55	36.07
(c) Interest on lease liabilities	11.60	8.23
(d) Other interest expenses	5.60	4.37
Bank charges	6.14	4.97
Total finance costs	50.89	55.98

Note: The amount of borrowing cost capitalised during the year ended March 31, 2025 is ₹ NIL (The amount of borrowing cost capitalised during the previous year ended March 31, 2024 is ₹ 1.74 crores. The rate used to determine the amount of borrowing cost eligible for capitalisation was 1.2% which is effective interest rate of the specific borrowing).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

33. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation on Property, plant and equipment (refer note 4) [#]	48.35	35.29
Depreciation on right of use assets (refer note 7)	24.53	19.82
Amortisation expenses on intangible assets (refer note 8A)	23.54	20.24
Depreciation on investment property (refer note 6)	*	*
Total depreciation and amortisation expense	96.42	75.35

[#] Depreciation on property, plant and equipment for March 31, 2025 ₹ 6.44 crore (March 31, 2024 ₹ 4.38 crore) and right-of-use assets for March 31, 2025 ₹ 3.52 crore (March 31, 2024 ₹ NIL) are net off capitalisation towards research and development expenditure.

* Indicates amount less than ₹ 1 Lakh.

34. OTHER EXPENSES

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Stores and spares consumed	33.73	24.36
Power and fuel	21.33	18.13
Rent	84.16	73.64
Repairs and maintenance		
Buildings	10.33	5.96
Plant and machinery	15.13	10.59
Others	43.34	33.77
Insurance	9.94	5.29
Rates and taxes	3.66	1.10
Advertising expenses	76.64	72.63
Sales and promotion expenses	95.42	74.27
Freight and forwarding charges	160.42	126.91
Legal and professional fees	109.58	76.07
Travelling and conveyance	70.18	59.02
Commission and sales incentives	61.00	41.12
Warranty cost	75.61	39.91
Printing and stationery	4.02	4.25
Payment to auditors (refer details A below)	2.27	2.08
Corporate social responsibility expenses (refer details B below)	7.04	3.93
Donations	0.40	0.64
Loss on sale / discard of property, plant and equipment	3.92	2.11
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	9.13	2.09
Bad debts / advances written off	20.48	
Less:- Allowance for doubtful debts	(18.44)	2.04
Allowances for doubtful debts and advances		37.04
E-waste expenses		25.76
Miscellaneous expenses		47.54
Total other expenses	1,009.63	788.14

Note :

The above other expenses is net off grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

34. OTHER EXPENSES (Contd..)

A. Payment to auditors

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
As auditor:		
Audit fee	1.06	1.11
Limited review	0.31	0.29
Tax Audit	0.10	0.10
In other capacity		
Other services*	0.69	0.50
Reimbursement of expenses	0.11	0.08
	2.27	2.08

*Note:- Audit Certification relating to QIP expense of ₹ 2.06 Crores adjusted in Security Premium in March 31, 2024.

B. Corporate social responsibility expenses

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(i) Gross amount required to be spent by the Company during the year	7.04	4.18
(ii) Amount spent during the year	7.39	4.26
(iii) Shortfall in amount spent for CSR expenses	-	-
(iv) Nature of CSR activities	'Skill Development' and 'Health, Hygiene and 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 (refer note 38)	1.55	1.10
(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"	NA	NA

C. Political Contribution

The Company has made political contribution to " Bhartiya Kamgar Sena" of ₹ 0.10 crore during FY 2024-25 (FY 2023-24 : NIL).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

35. EARNING PER SHARE (EPS)

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

Particulars	₹ crores	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit attributable to equity holders of the Company (₹ in Crores)	484.90	367.50
Weighted average number of Equity shares outstanding	19,94,40,635	19,94,40,635
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	23.58	18.43

Note:

- a. Pursuant to approval given by the shareholders vide postal ballot on June 08, 2023, the Company has issued 9,63,13,888 fully paid up bonus equity shares of ₹ 2/- each in the ratio of 1 (One) equity share of ₹ 2/- each for every 1 (One) existing equity share of ₹ 2/- each during the previous year ended March 31, 2024.
- b. The Company raised capital of ₹ 1,000 crores through Qualified Institutions Placement ("QIP") of equity shares. The Executive management Committee of the Board of Directors of the Company, at its meeting held on September 22, 2023, approved the allotment of 1,29,87,012 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 770 per equity share (including a premium of ₹ 768 per equity share) and issued the same on September 22, 2023.

36. EMPLOYEE BENEFITS

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 recognised as net profit in the profit or loss. The Company expects to contribute ₹ 6.28 crore to gratuity fund in FY 2025-26 (FY 2024-25: ₹ 6.55 crore).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

36. EMPLOYEE BENEFITS (Contd..)

Change in present value of defined benefit obligation

Particulars	Gratuity (Funded)		Additional Gratuity	
	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
Defined benefit obligation at the beginning of the year	53.62	47.51	0.51	0.47
Current service cost	5.73	4.62	0.02	0.02
Interest cost	3.73	3.35	0.04	0.04
Benefits paid	(3.51)	(3.48)	(0.02)	(0.01)
Acquisition adjustment	-	(0.63)	-	-
Remeasurements				
a. Due to change in demographic assumptions	-	0.01	-	-
b. Due to change in financial assumptions	2.07	0.54	0.02	0.01
c. Due to experience adjustments	4.43	1.70	(0.01)	(0.02)
Defined benefit obligation at the end of the year	66.07	53.62	0.56	0.51

Change in fair value of plan assets

Particulars	Gratuity (Funded)		Additional Gratuity	
	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
Fair value of plan assets at the beginning of the year	50.14	44.67	-	-
Expected return on plan assets	3.58	3.29	-	-
Contribution	9.58	5.66	-	-
Benefits paid	(3.51)	(3.48)	-	-
(Return) on plan assets (excl. interest income)	4.41	-	-	-
Fair value of plan assets at the end of the year	64.20	50.14	-	-

Components of defined benefit cost recognised in Statement of Profit and Loss

Particulars	Gratuity (Funded)		Additional Gratuity	
	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
Current service cost	5.73	4.62	0.02	0.02
Interest Cost	3.73	3.35	0.04	0.04
Investment income on plan assets	(3.58)	(3.29)	-	-
Defined benefit cost recognized in profit and loss	5.88	4.68	0.06	0.06

Notes to Standalone Financial Statements

for the year ended March 31, 2025

36. EMPLOYEE BENEFITS (Contd..)

Particulars	Gratuity (Funded)		Additional Gratuity	
	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
Components of defined benefit cost recognised in Other Comprehensive Income				
a. Due to change in demographic assumptions	-	0.01	-	0.00
b. Due to change in financial assumptions	2.07	0.54	0.02	0.01
c. Due to change in experience adjustments	4.43	1.70	(0.01)	(0.02)
d. (Return) on plan assets (excl. interest income)	(4.41)	-	-	-
Remeasurements recognized in other comprehensive income (OCI)	2.09	2.25	0.01	(0.01)

Net assets / liability recognised in the Balance Sheet

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	66.07	53.62	0.56	0.51
Fair value of plan assets	64.20	50.14	-	-
Net liability / (assets)	1.87	3.48	0.56	0.51

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
Cash and cash equivalents	0.10		0.05	
Insurance company products	62.96		48.92	
Others	1.14		1.17	
Total	64.20		50.14	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

36. EMPLOYEE BENEFITS (Contd..)

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

Actuarial assumptions	Gratuity (Funded)		Additional Gratuity	
	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
Discount rate	6.50%	7.15%	6.50%	7.15%
Disability rate	5% of IALM 2012-14	5% of IALM 12-14	5% of IALM 2012-14	5% of IALM 2012-14
Normal retirement age	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others	65 Years for Directors and 60 Years for Others
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Directors-Management-staff)	10%,7%,3%	10%,7%,3%	-	-
Attrition Rate	15%	15%	15%	15%

Risk analysis

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

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

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

36. EMPLOYEE BENEFITS (Contd..)

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

Assumptions	₹ crores			
	Gratuity (Funded) For the year ended March 31, 2025	For the year ended March 31, 2024	Additional Gratuity For the year ended March 31, 2025	For the year ended March 31, 2024
Decrease in discount Rate (-/+ 0.5%)	66.32	53.52	0.57	0.52
Increase in discount Rate (-/+ 0.5%)	63.04	50.92	0.54	0.50
Decrease in salary Growth Rate (-/+ 0.5%)	63.03	50.90	-	-
Increase in salary Growth Rate (-/+ 0.5%)	66.31	53.52	-	-
Decrease in attrition Rate (-/+ 1%)	64.77	52.18	0.53	0.47
Increase in attrition Rate (-/+ 1%)	64.52	52.19	0.56	0.52
Decrease in Mortality Rate (-/+ 10%)	64.64	52.18	0.55	0.51
Increase in Mortality Rate (-/+ 10%)	64.64	52.19	0.56	0.51

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 5 years.

Maturity profile of defined benefit obligation

Expected cash flows (valued on undiscounted basis)	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Gratuity (Funded)	Additional Gratuity	Gratuity (Funded)	Additional Gratuity
1 year	13.50	0.10	10.90	0.09
2 to 5 years	33.33	0.30	28.14	0.29
6 to 10 years	25.92	0.23	21.71	0.22
More than 10 years	22.23	0.19	18.81	0.18
Total	94.98	0.82	79.56	0.78

b. Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The actuary has provided a valuation and according thereto, there is no shortfall as at March 31, 2025. The Company's contribution to the Employee's Provident fund aggregates to ₹ 12.92 crores (March 31, 2024 : ₹ 10.16 crores).

The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the company has made for an estimated amount, provision on a prospective basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

36. EMPLOYEE BENEFITS (Contd..)

The details of the Blue Star Office Provident Fund and plan assets position are given below:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at period end	316.54	278.14
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	314.53	277.04

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	0.63	1.11
Insurance company products	-	-
Others	313.90	275.93
Total plan assets	314.53	277.04

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	₹ crores	
	As at March 31, 2025	As at March 31, 2024
Discounting Rate	6.50%	7.15%
Expected Guaranteed interest rate	8.25%	8.25%
Average Historic Yield on the Investment (per annum)	7.23%	7.25%
Mortality Rate (% of IALM 2012-14)	100.00%	100.00%
Disability Rate (% of IALM 2012-14)	5.00%	5.00%
Attrition Rate / Withdrawal rate of fund for Active Employees (per annum)	15.00%	15.00%
Expected rate of exit of inactive records from scheme / Withdrawal rate of fund for Inactive Employees (p.a.)	100.00%	100.00%

Particulars	As at March 31, 2025		As at March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	317.45	317.23	278.20	278.08
Interest rate guarantee (-/+ 0.5%)	314.22	320.82	276.34	280.85

* Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2023-24 and the same is used for valuation purpose. The Trust had provisionally declared interest rate of 8.25% for FY 2024-25.

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. Additional Gratuity

Additional Gratuity is payable as per the specific rules of the Group i.e. ₹ 5,000 for staff and ₹ 10,000 for managers subject to qualifying service of 15 years.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

Particulars	₹ crores	As at March 31, 2025	As at March 31, 2024
Claims against the company not acknowledged as debts	0.90	1.40	
Sales tax matters	10.30	21.35	
Excise duty matters	4.31	4.90	
Service tax matters	27.65	30.39	
Income tax matters	133.01	133.01	
GST matters	22.34	12.46	

b Commitments

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

Particulars	₹ crores	As at March 31, 2025	As at March 31, 2024
Company had commitments (net of advances)	116.77	78.37	

c. Financial Guarantees provided

Particulars	₹ crores	As at March 31, 2025	As at March 31, 2024
Corporate Guarantee given on behalf of subsidiaries (to the extent utilised)	0.92	16.83	

- d** The Company has an obligation to complete the Extended Producer Responsibility (EPR) targets, only if it is a participant in the market during the financial year in accordance with the E-Waste (Management) Rules, 2016, as amended. The Company has fulfilled its obligation for the current financial year. The Company will have an e-waste obligation for future years, only if it participates in the market in those years.

e Uncertain tax position

The uncertain tax position as on March 31, 2025 is ₹ 8.06 crores (March 31, 2024 : ₹ 6.85 crores)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. DISCLOSURE FOR RELATED PARTY

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", [under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)], as disclosed below:-

A Name of related parties (Where transactions have taken place during the year and previous year / balance outstanding)

1 Subsidiaries

Blue Star Engineering and Electronics Limited
Blue Star Climatech Limited
Blue Star Qatar- WLL*
Blue Star MEA Airconditioning LLC (Formerly known as Blue Star System & Solutions LLC)
BSL AC&R (SINGAPORE) PTE. Limited
Blue Star International FZCO
Blue Star North America INC
Blue Star Japan LLC
Blue Star Europe BV
Blue Star Air Conditioning & Refrigeration (U) Limited

2 Joint Ventures

Blue Star M & E Engineering (Sdn) Bhd
Blue Star Oman Electro-Mechanical Co. LLC**

3 Key Management Personnel

Mr. Vir S. Advani (Chairman and Managing Director)
Mr. B Thiagarajan (Managing Director)
Mr. Nikhil Sohoni (Group Chief Financial Officer)
Mr. Rajesh Parte (Company Secretary and Compliance Officer)
Mr. Shailesh Haribhakti (Independent director) (Upto March 31, 2024)
Mr. Rajiv Lulla (Non-executive director)
Mr. Dinesh Vaswani (Non-executive director)
Mr. Sam Balsara (Independent director)
Mr. Anil Harish (Independent director)
Mr. Arvind K Singhal (Independent director)
Ms. Sunaina Murthy (Non-executive director)
Ms. Anita Ramchandran (Independent director)
Mr. Murlidhar Gangadharan (Independent director) (Since January 30, 2024)
Mr. Vipin Sondhi (Independent director) (Since January 30, 2024)
Mr P Venkat Rao (Executive Director) (Since August 07, 2024)

4 Close member of key management personnel

Mr. Suneel M. Advani (Father of Vir S. Advani)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. DISCLOSURE FOR RELATED PARTY (Contd..)

5 Enterprises in which a Director is/was a member/director/trustee during the year with whom company had transactions and/or balances

M/s SMA Associates

National Skill Development Corporation

Swift Audio Video Entertainments Private Limited

Madison Specialist Communications LLP

Madison Communications Private Limited

MOMS Outdoor Media Solutions Private Limited

Platinum Communications Private Limited

Out-Sel Promotions India Private Limited

Cerebrus Consultants Private Limited

TVS Mobility Private Limited

IBS Fintech India Private Limited

6 Post-employee benefit entities

Blue Star Employee Welfare Trust

Blue Star Helpline Trust

Blue Star Sahayata Foundation

Mohan T Advani Education Trust

Blue Star Employees Provident Fund

Blue Star Employees Gratuity Fund

Blue Star Staff Superannuation Scheme

BSL ESOP Trust

Blue Star Foundation

* The Company holds 49% of the share capital in Blue Star Qatar WLL (BSQ). Upon assessment of control over BSQ, the Company has concluded that the said Company is a subsidiary of the Company under Ind AS 110.

**The Company holds 51% of the share capital of Blue Star Oman Electro-Mechanical Co. LLC, however the profit sharing is on 50-50 basis and it is treated as joint venture under Ind AS 110.

38. RELATED PARTY DISCLOSURES AS PER IND AS 24:

B. Transactions for the year ended March 31, 2025 and March 31, 2024 with Related Parties are as under:

₹ crores

Particulars	Subsidiaries		Joint Ventures		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
Sale of goods / rendering of services								
Blue Star Qatar WLL	0.64	4.75	-	-	-	-	0.64	4.75
Blue Star Engineering and Electronics Limited	0.12	0.11	-	-	-	-	0.12	0.11
Blue Star International FZCO	111.25	207.05	-	-	-	-	111.25	207.05
Blue Star MEA Airconditioning LLC	74.04	4.42	-	-	-	-	74.04	4.42
Blue Star Climatech Limited	0.60	0.05	-	-	-	-	0.60	0.05
Blue Star North America INC	293.36	16.53	-	-	-	-	293.36	16.53
Blue Star Europe B.V.	6.56	-	-	-	-	-	6.56	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

Particulars	₹ crores							
	Subsidiaries		Joint Ventures		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
Blue Star Innovation Japan LLC	0.39	0.08	-	-	-	-	0.39	0.08
Madison Communications Private Limited	-	-	-	-	0.26	0.52	0.26	0.52
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	0.02	-	0.02	-
Platinum Communications Private Limited	-	-	-	-	*	-	*	-
TVS Mobility Private Limited	-	-	-	-	0.73	-	0.73	-
Madison Specialist Communications LLP	-	-	-	-	0.01	-	0.01	-
Out-Sel Promotions India Private Limited	-	-	-	-	0.01	-	0.01	-
Swift Audio Video Entertainments Private Limited	-	-	-	-	0.01	-	0.01	-
National Skill Development Corporation	-	-	-	-	0.02	-	0.02	-
Total	486.96	232.99	-	-	1.06	0.52	488.02	233.51
Purchase of goods / receipt of services								
Blue Star Engineering and Electronics Limited	0.30	-	-	-	-	-	0.30	-
Blue Star Climatech Limited	1,425.01	691.36	-	-	-	-	1,425.01	691.36
Blue Star Innovation Japan LLC	8.50	-	-	-	-	-	8.50	-
Moms Outdoor Media Solutions Private Limited	-	-	-	-	4.07	5.57	4.07	5.57
Madison Communications Private Limited	-	-	-	-	45.13	30.09	45.13	30.09
IBS Fintech India Private Limited	-	-	-	-	-	0.15	-	0.15
Cerebrus Consultants Private Limited	-	-	-	-	0.04	0.06	0.04	0.06
Total	1,433.81	691.36	-	-	49.24	35.87	1,483.05	727.23
Reimbursement of expenses incurred on our behalf by								
Blue Star M & E Engineering (Sdn) Bhd	-	-	-	0.25	-	-	-	0.25
Blue Star Qatar WLL	-	0.13	-	-	-	-	-	0.13
Blue Star Engineering and Electronics Limited	0.83	0.09	-	-	-	-	0.83	0.09
Blue Star Climatech Limited	1.38	1.64	-	-	-	-	1.38	1.64

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

₹ crores

Particulars	Subsidiaries		Joint Ventures		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
Blue Star North America INC	-	0.04	-	-	-	-	-	0.04
Blue Star Foundation	-	-	-	-	-	0.37	-	0.37
Total	2.21	1.90	-	0.25	-	0.37	2.21	2.52
Shared Service Recovery								
Blue Star Climatech Limited	3.33	1.20	-	-	-	-	3.33	1.20
Blue Star Engineering and Electronics Limited	5.70	1.32	-	-	-	-	5.70	1.32
Blue Star North America INC	1.73	1.25	-	-	-	-	1.73	1.25
Blue Star Europe B.V.	1.73	1.25	-	-	-	-	1.73	1.25
Blue Star Japan LLC	0.96	0.66	-	-	-	-	0.96	0.66
Total	13.45	5.68	-	-	-	-	13.45	5.68
Rent expenses								
Blue Star Engineering and Electronics Limited	3.57	3.43	-	-	-	-	3.57	3.43
Total	3.57	3.43	-	-	-	-	3.57	3.43
Finance Cost								
Blue Star Engineering and Electronics Limited	5.79	8.11	-	-	-	-	5.79	8.11
Total	5.79	8.11	-	-	-	-	5.79	8.11
Project Cost								
Blue Star Engineering and Electronics Limited	-	1.13	-	-	-	-	-	1.13
Total	-	1.13	-	-	-	-	-	1.13
ESOP granted to employees								
Blue Star Engineering and Electronics Limited	0.21	-	-	-	-	-	0.21	-
Blue Star Climatech Limited	0.13	-	-	-	-	-	0.13	-
Total	0.34	-	-	-	-	-	0.34	-
Inter Corporate Deposit given								
Blue Star Climatech Limited	85.00	25.00	-	-	-	-	85.00	25.00
Total	85.00	25.00	-	-	-	-	85.00	25.00
Repayment of Inter Corporate Deposit given								
Blue Star Climatech Limited	50.00	35.00	-	-	-	-	50.00	35.00
Total	50.00	35.00	-	-	-	-	50.00	35.00
Inter Corporate Deposit taken								
Blue Star Engineering and Electronics Limited	245.00	85.00	-	-	-	-	245.00	85.00
Total	245.00	85.00	-	-	-	-	245.00	85.00

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

Particulars	₹ crores							
	Subsidiaries		Joint Ventures		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
Repayment of Inter Corporate Deposit repaid								
Blue Star Engineering and Electronics Limited	205.00	120.00	-	-	-	-	205.00	120.00
Total	205.00	120.00	-	-	-	-	205.00	120.00
Recovery of Expenses								
Blue Star Climatech Limited	0.55	0.03	-	-	-	-	0.55	0.03
Total	0.55	0.03	-	-	-	-	0.55	0.03
Investment / Share application money given								
Blue Star North America INC	-	4.14	-	-	-	-	-	4.14
Blue Star Europe B.V.	10.03	4.52	-	-	-	-	10.03	4.52
Blue Star Climatech Limited	29.44	418.40	-	-	-	-	29.44	418.40
Blue Star Japan LLC	10.95	10.00	-	-	-	-	10.95	10.00
Total	50.42	437.06	-	-	-	-	50.42	437.06
Corporate Guarantee given								
Blue Star International FZCO	-	62.55	-	-	-	-	-	62.55
Blue Star North America INC	-	2.08	-	-	-	-	-	2.08
Total	-	64.63	-	-	-	-	-	64.63
Corporate Guarantee commission								
Blue Star International FZCO	0.26	0.01	-	-	-	-	0.26	0.01
Blue Star North America INC	0.01	-	-	-	-	-	0.01	-
Total	0.27	0.01	-	-	-	-	0.27	0.01
Sale of fixed asset								
Blue Star Climatech Limited	-	0.55	-	-	-	-	-	0.55
Total	-	0.55	-	-	-	-	-	0.55
Purchase of fixed asset								
Blue Star Climatech Limited	0.62	-	-	-	-	-	0.62	-
Total	0.62	-	-	-	-	-	0.62	-
Transfer of Employee benefit liability and other employee assets								
Blue Star Climatech Limited	0.01	1.27	-	-	-	-	0.01	1.27
Total	0.01	1.27	-	-	-	-	0.01	1.27
Project Revenue								
Blue Star Climatech Limited	5.15	7.47	-	-	-	-	5.15	7.47
Total	5.15	7.47	-	-	-	-	5.15	7.47
Income on ICD								
Blue Star Climatech Limited	2.80	1.91	-	-	-	-	2.80	1.91
Total	2.80	1.91	-	-	-	-	2.80	1.91
Donation / CSR expenses								
Blue Star Foundation	-	-	-	-	1.55	1.10	1.55	1.10
Total	-	-	-	-	1.55	1.10	1.55	1.10

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

Particulars	₹ crores							
	Subsidiaries		Joint Ventures		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
Fees for professional services								
M/s SMA Associates	-	-	-	-	0.30	0.30	0.30	0.30
Total	-	-	-	-	0.30	0.30	0.30	0.30
Trust Contribution								
Blue Star Provident Fund Trust	-	-	-	-	33.80	27.57	33.80	27.57
Blue Star Gratuity Trust	-	-	-	-	9.58	5.66	9.58	5.66
Blue Star Super Annuation Trust	-	-	-	-	1.74	1.45	1.74	1.45
Total	-	-	-	-	45.12	34.68	45.12	34.68

Compensation to key management personnel:

Nature of Transaction	₹ crores	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits including commission	38.68	25.42
Post-employee benefits	1.65	0.98
Commission to Non-Executive and Independent Directors	1.92	2.00
Sitting fees	0.64	0.64
Share based payment	1.60	-
Total compensation to key management personnel	44.49	29.04

* Indicates amount less than ₹ 1 Lakh

Notes:-

- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.
- The transactions are inclusive of taxes wherever applicable.
- The transactions are disclosed under various relationships (i.e. subsidiary, associate, joint ventures and other related parties) based on the status of related parties on the date of transactions.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

C. Amount due to / from related parties as at March 31, 2025 and March 31, 2024

Particulars	Subsidiaries		Joint Ventures		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
							₹ crores	
Trade payables (including capex payable)								
Blue Star Engineering and Electronics Limited	-	0.11	-	-	-	-	-	0.11
Blue Star Climatech Limited	210.41	134.66	-	-	-	-	210.41	134.66
Blue Star International FZCO	0.47	-	-	-	-	-	0.47	-
Blue Star Japan LLC	7.70	-	-	-	-	-	7.70	-
Madison Communications Private Limited	-	-	-	-	15.27	0.84	15.27	0.84
IBS Fintech India Private Limited	-	-	-	-	-	0.02	-	0.02
Cerebrus Consultants Private Limited	-	-	-	-	-	0.02	-	0.02
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	1.15	1.18	1.15	1.18
Total	218.58	134.77	-	-	16.42	2.06	235.00	136.83
Other Payables								
Blue Star Provident Fund Trust	-	-	-	-	-	2.45	-	2.45
Blue Star Super Annuation Trust	-	-	-	-	-	0.12	-	0.12
Blue Star Gratuity Trust	-	-	-	-	-	3.58	-	3.58
Total	-	-	-	-	-	6.15	-	6.15
Commission receivable								
Blue Star International FZCO	-	0.01	-	-	-	-	-	0.01
Blue Star North America INC	-	0.00	-	-	-	-	-	0.00
Total	-	0.01	-	-	-	-	-	0.01
Trade receivables								
Blue Star Qatar WLL	0.18	1.69	-	-	-	-	0.18	1.69
Blue Star International FZCO	23.94	73.87	-	-	-	-	23.94	73.87
Blue Star MEA Airconditioning LLC	5.41	1.93	-	-	-	-	5.41	1.93
Blue Star North America INC	90.94	16.53	-	-	-	-	90.94	16.53
Blue Star Europe B.V.	8.14	-	-	-	-	-	8.14	-
Blue Star Engineering and Electronics Limited	5.11	-	-	-	-	-	5.11	-
Blue Star Japan LLC	1.03	0.08	-	-	-	-	1.03	0.08
Madison Communications Private Limited	-	-	-	-	-	0.01	-	0.01
Moms Outdoor Media Solutions Private Limited	-	-	-	-	0.01	-	0.01	-
TVS Mobility Private Limited	-	-	-	-	0.11	-	0.11	-
Total	134.75	94.10	-	-	0.12	0.01	134.87	94.11
Other Receivable								
Blue Star North America INC	-	1.25	-	-	-	-	-	1.25
Blue Star Europe B.V.	-	1.25	-	-	-	-	-	1.25
Blue Star Japan LLC	-	0.66	-	-	-	-	-	0.66
Blue Star Climatech Limited	3.89	-	-	-	-	-	3.89	-

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for the year ended March 31, 2025

38. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

Particulars	₹ crores							
	Subsidiaries		Joint Ventures		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
Blue Star Oman	-	-	4.46	4.46	-	-	4.46	4.46
Electromechanical Co. LLC# (refer note below)								
Total	3.89	3.16	4.46	4.46	-	-	8.35	7.62
Other deposits receivable								
Blue Star Engineering and Electronics Limited	2.56	2.56	-	-	-	-	2.56	2.56
Total	2.56	2.56	-	-	-	-	2.56	2.56
Inter corporate deposit payable								
Blue Star Engineering and Electronics Limited	125.00	85.00	-	-	-	-	125.00	85.00
Total	125.00	85.00	-	-	-	-	125.00	85.00
Inter corporate deposit receivable								
Blue Star Climatech Limited	60.00	25.00	-	-	-	-	60.00	25.00
Total	60.00	25.00	-	-	-	-	60.00	25.00

Corporate Guarantees to Related Parties

The Company had given corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures.

Name of Related party	Transactions (Utilised till date) FY 2024-25	Transactions (Utilised till date) FY 2023-24	Balance O/S (Gross Guarantee given) FY 2024-25	Balance O/S (Gross Guarantee given) FY 2023-24
Blue Star Qatar WLL	-	-	-	-
Blue Star Engineering and Electronics Limited	-	-	-	-
Blue Star International FZCO	0.77	16.63	64.11	62.55
Blue Star System and Solutions LLC	-	-	-	-
BSL AC&R Singapore	-	-	-	-
Blue Star Climatech Limited	-	-	-	-
Blue Star North America INC	0.15	0.20	2.14	2.08

The above transactions are in the ordinary course of business and are at arm's length.

fully provided for Allowance for doubtful loan

Note :-

W.J. Towell & Co LLC ('WJT'), an entity based in Oman, one of our Joint Venture partner in "Blue Star Oman Electro-Mechanical Company LLC" (a Joint Venture Company), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, has filed arbitration proceedings against the Company with International Chamber of Commerce ('ICC'). The statement of claim filed by WJT stands at OMR 2,11,80,748 (approx. ₹ 461.74 crores). In the opinion of the Company the claims filed by WJT are frivolous, unsubstantiated, premised on fundamental factual misstatements and contrary to the overwhelming facts and evidence. The Company has filed its statement of defence with the ICC.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. SEGMENT INFORMATION

As per Ind AS 108, segment report is shown only in the consolidated financial statements as financial report contains both the consolidated financial statements of a parent as well as the parent's standalone financial statement.

40. 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 hedged by forward contract. 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 lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Particulars of Derivatives				
Forward cover to Purchase :				
- USD	112.74	96.36	94.48	78.80
- CNY/RMB	495.85	58.28	444.22	51.01
Forward cover to Sell :				
- USD	-	-	10.00	8.34

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 lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Bank Balances				
EUR	#	#	#	#
USD	5.75	4.92	6.42	5.35
AED	0.07	0.02	0.20	0.04
CNY/RMB	0.23	0.03	0.23	0.03
Receivables				
AED	-	-	33.74	7.66
EUR	27.55	25.37	30.54	27.45
MYR	1.05	0.20	1.59	0.28
USD	156.91	134.12	66.76	55.68
JPY	187.71	1.07	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

40. DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE (Contd..)

Foreign currency	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency (in lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Payables				
AED	19.82	4.61	0.45	0.10
CNY/RMB	239.74	28.18	83.76	9.62
EUR	18.21	16.77	16.90	15.19
GBP	0.07	0.08	0.09	0.09
QAR	0.01	0.00	-	-
JPY	2,205.52	12.52	867.17	4.78
OMR	0.00	0.01	#	0.01
USD	95.49	81.62	63.27	52.77

Indicates amount less than EUR and OMR 1 Thousand

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

41. FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS BY CATEGORY

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
Financial assets										
Investments (refer note 9)	388.94	-	817.56	1,206.50	1,206.50	189.99	-	767.16	957.15	957.15
Other financial assets (refer note 11)	-	-	56.73	56.73	56.73	1.52	-	56.52	58.04	58.04
Trade receivables (refer note 13)	-	-	1,816.99	1,816.99	1,816.99	-	-	1,799.67	1,799.67	1,799.67
Cash and cash equivalents (refer note 14)	-	-	299.76	299.76	299.76	-	-	258.61	258.61	258.61
Other bank balances (refer note 15)	-	-	6.34	6.34	6.34	-	-	3.70	3.70	3.70
Loans (refer note 10)	-	-	83.75	83.75	83.75	-	-	32.60	32.60	32.60
	388.94	-	3,081.13	3,470.07	3,470.07	191.51	-	2,918.26	3,109.77	3,109.77
Financial liabilities										
Borrowings (refer note 20)	-	-	318.90	318.90	318.90	-	-	235.48	235.48	235.48
Trade payables (refer note 21)	-	-	3,156.89	3,156.89	3,156.89	-	-	2,399.50	2399.5	2399.5
Other Financial Liabilities (refer note 23)	-	-	48.43	48.43	48.43	-	-	35.23	35.23	35.23
Lease liabilities (refer note 22)	-	-	181.46	181.46	181.46	-	-	76.49	76.49	76.49
	-	-	3,705.68	3,705.68	3,705.68	-	-	2,746.70	2,746.70	2,746.70

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

41. FINANCIAL INSTRUMENTS (Contd..)

(B) 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 (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	March 31, 2025	7.84	-	-	7.84
Assets measured as fair value :					
Investment in mutual funds (refer note 9)	March 31, 2025	388.94	-	388.94	-
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts (refer note 11 & 23)	March 31, 2025	-	-	-	-
- Commodity forward contracts (refer note 11)	March 31, 2025	-	-	-	-

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

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

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment Property (refer note 6)	March 31, 2024	7.62	-	-	7.62
Assets measured as fair value :					
Investment in mutual funds (refer note 9)					
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts (refer note 11)	March 31, 2024	0.16	-	0.16	-
- Commodity forward contracts (refer note 11)	March 31, 2024	1.36	-	1.36	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

41. FINANCIAL INSTRUMENTS (Contd..)

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

Valuation technique and key inputs used to determine fair value:

1. Level - 1:

Quoted market price in the active market for identical assets or liabilities.

2. Level - 2 :

Mutual Fund - Quoted price in the active market

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

3. Level - 3 :

Investment Property - Based on valuation report of independent valuer.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.
- The Company enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

42. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, currency risk, interest rate, credit risk and liquidity risk.

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, investments, trade payables, trade receivables, loans, and derivative financial instruments.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Contd..)

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				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (foreign currency)	Net exposure (₹ Crores)
Foreign Currency					
USD	0.06	1.57	0.95	0.68	57.42
CNY/RMB	0.00	-	2.40	(2.40)	(28.15)
AED	-	-	0.20	(0.20)	(4.60)
EUR	-	0.28	0.18	0.09	8.60
MYR	-	0.01	-	0.01	0.20
JPY	-	1.88	22.06	(20.18)	(11.45)
QAR	-	(0.00)	-	(0.00)	(0.00)
GBP	-	-	-	-	(0.08)
OMR	-	-	-	-	(0.01)

Particulars	As at March 31, 2024				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (foreign currency)	Net exposure (₹ Crores)
Foreign Currency					
USD	0.06	0.67	0.63	0.10	8.27
CNY/RMB	0.00	-	0.84	(0.84)	(9.59)
AED	0.00	0.34	0.00	0.34	7.61
EUR	-	0.31	0.17	0.14	12.26
MYR	-	0.02	-	0.02	0.28
JPY	-	-	8.67	(8.67)	(4.78)
CHF	-	-	-	-	-
QAR	-	-	0.01	(0.01)	0.18
GBP	-	-	0.00	(0.00)	(0.09)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Contd..)

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 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	
		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
USD	+5%	2.87	0.41	2.15	0.31
	-5%	(2.87)	(0.41)	(2.15)	(0.31)
CNY/ RMB	+5%	(1.35)	(0.48)	(1.01)	(0.36)
	-5%	1.35	0.48	1.01	0.36
AED	+5%	(0.19)	0.38	(0.14)	0.28
	-5%	0.19	(0.38)	0.14	(0.28)
EUR	+5%	0.43	0.61	0.32	0.46
	-5%	(0.43)	(0.61)	(0.32)	(0.46)
MYR	+5%	0.01	0.01	0.01	0.01
	-5%	(0.01)	(0.01)	(0.01)	(0.01)
SGD	+5%	0.00	0.00	0.00	0.00
	-5%	0.00	0.00	0.00	0.00
JPY	+5%	(0.63)	(0.24)	(0.47)	(0.18)
	-5%	0.63	0.24	0.47	0.18

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, 2025.

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 crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	839.53	78.93	-	-	839.53	78.93
Aluminium	858.00	30.42	-	-	858.00	30.42

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42. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Contd..)

Particulars	As at March 31, 2024					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	1,188.81	98.55	250.00	17.28	938.81	81.27
Aluminium	685.78	20.89	-	-	685.78	20.89

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

₹ crores

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
Commodity					
Copper	-5%	(3.95)	(4.06)	(2.93)	(3.02)
	+5%	3.95	4.06	2.93	3.02
Aluminium	-5%	(1.52)	(1.04)	(1.13)	(0.78)
	+5%	1.52	1.04	1.13	0.78

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. Interest rate change does not affect significantly to the company. Company does not have any exposure to the future cash flows resulting from change in interest rate as the Company's net obligations and assets carries fixed interest rate.

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 trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions, and other financial instruments.

1. Trade receivables

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

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for the year ended March 31, 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Contd..)

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		₹ crores Total
		Less than 1 year	More than 1 year	
Trade Receivables as of March 31, 2025	912.05	888.16	87.56	1,887.77
Trade Receivables as of March 31, 2024	827.30	935.56	112.40	1,875.26

Refer Note 13 for details on the allowance for expected credit loss on trade receivables.

2. 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. The Company's maximum exposure for financial guarantees is given in Note 39.

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			₹ crores
	Less than 1 year	More than 1 year	Total	
Interest bearing borrowings	318.90	-	318.90	
Trade Payables	3,156.89	-	3,156.89	
Lease Liabilities	58.59	184.80	243.39	
Other financial liabilities	48.43	-	48.43	
Total	3,582.81	184.80	3,767.61	

Particulars	As at March 31, 2024			₹ crores
	Less than 1 year	More than 1 year	Total	
Interest bearing borrowings	235.48	-	235.48	
Trade Payables	2,399.50	-	2,399.50	
Lease Liabilities	28.28	71.33	99.61	
Other financial liabilities	35.23	-	35.23	
Total	2,698.49	71.33	2,769.82	

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43. 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 an optimum mix of borrowed and owned funds.

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

Gearing Ratio:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	318.90	235.48
Less: Cash and cash equivalents	(299.76)	(258.61)
Net Debt	19.14	(23.13)
Equity	2,854.60	2,511.49
Gearing Ratio (Net Debt / Equity) x 100	0.67%	NA*

* This ratio is not relevant for FY24 as the Cash and cash equivalents exceed the Loans and Borrowings.

44. FINANCIAL RATIOS

Particulars	As at March 31, 2025	As at March 31, 2024	Variance	Reason
Current ratio	1.20	1.23	(2.44%)	Below threshold of 25%
Debt-Equity ratio	0.11	0.09	22.22%	Below threshold of 25%
Debt Service Coverage Ratio (DSCR)	23.36	1.46	1500.00%	Variance is due to NIL principal repayment of long-term debt in CY, whereas ₹325 crores was repaid in the previous year, leading to higher outstanding debt and impacting related ratios.
Return on Equity Ratio (ROE)	18.07%	19.39%	(6.81%)	Below threshold of 25%
Inventory turnover (No.of days)	62.24	66.27	(6.08%)	Below threshold of 25%
Trade receivables turnover (No. of days)	58.28	63.61	(8.38%)	Below threshold of 25%
Trade payables turnover (No. of days)	103.31	108.95	(5.18%)	Below threshold of 25%
Net capital turnover ratio (In times)	12.27	10.73	14.35%	Below threshold of 25%
Net profit ratio	4.26%	4.07%	4.67%	Below threshold of 25%
Return on Capital employed (ROCE)	21.40%	19.32%	10.77%	Below threshold of 25%
Return on investment				
Investment in Mutual fund	7.18%	7.03%	2.13%	Below threshold of 25%
Investment in Fixed deposit	6.28%	6.22%	(3.54%)	Below threshold of 25%

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44. FINANCIAL RATIOS (Contd..)

Current Ratio = Current Assets / Current Liabilities

Debt / Equity Ratio = Total Debt / Shareholder's Equity

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

Return on Equity Ratio = Net profit after tax / Average Shareholder's equity X 100

Inventory turnover (no. of days) = Average Inventory / Cost of Goods Sold for the period X 365

Trade Receivable turnover (no. of days) = Average Debtors / Turnover for the period X 365

Trade payables turnover (no. of days) = Average payables / (Cost of material consumed + purchase of stock-in-trade + change in inventory + Other expenses) X365

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

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

Return on capital employed (%) = (Profit before tax + Finance charges) / Capital employed X 100

Return on investment (%) = Income from investment / Average investment for the year X 100

45. AGGREGATION OF EXPENSES DISCLOSED IN PROJECT COST VIDE NOTE 30 IN RESPECT OF SPECIFIC ITEMS INCLUDED IN SALARIES AND WAGES, OTHER EXPENSES AND FINANCE COST VIDE NOTE 31, 34 AND 32 IS AS FOLLOWS :

Nature of expenses	Year	Note 30	Note 31	Note 34	Note 32	₹ crores
Salary and Wages	As at March 31, 2025	458.71	665.07	-	-	1,123.78
	As at March 31, 2024	384.64	532.77	-	-	917.41
Staff welfare expenses	As at March 31, 2025	2.35	52.32	-	-	54.67
	As at March 31, 2024	1.33	41.39	-	-	42.72
Contribution to provident and other funds	As at March 31, 2025	0.10	20.99	-	-	21.09
	As at March 31, 2024	0.10	17.64	-	-	17.74
Rent	As at March 31, 2025	1.88	-	84.16	-	86.04
	As at March 31, 2024	1.14	-	73.64	-	74.78
Repairs and maintenance	As at March 31, 2025	1.23	-	68.80	-	70.03
	As at March 31, 2024	0.18	-	50.32	-	50.50
Rates and taxes	As at March 31, 2025	8.99	-	3.66	-	12.65
	As at March 31, 2024	5.74	-	1.10	-	6.84
Power and fuel	As at March 31, 2025	4.58	-	21.33	-	25.91
	As at March 31, 2024	6.32	-	18.13	-	24.45
Insurance	As at March 31, 2025	3.05	-	9.94	-	12.99
	As at March 31, 2024	5.97	-	5.29	-	11.26
Travelling and Conveyance	As at March 31, 2025	3.62	-	70.18	-	73.80
	As at March 31, 2024	2.81	-	59.02	-	61.83
Printing and Stationery	As at March 31, 2025	1.25	-	4.02	-	5.27
	As at March 31, 2024	0.91	-	4.25	-	5.16
Freight and Forwarding Charges	As at March 31, 2025	2.73	-	160.42	-	163.15
	As at March 31, 2024	2.92	-	126.91	-	129.83
Legal and Professional fees	As at March 31, 2025	40.92	-	109.58	-	150.50
	As at March 31, 2024	26.74	-	76.56	-	103.30
Foreign exchange differences	As at March 31, 2025	(0.13)	-	9.13	-	9.00
	As at March 31, 2024	0.04	-	2.09	-	2.13
Commission and sales incentives	As at March 31, 2025	0.02	-	61.00	-	61.02
	As at March 31, 2024	-	-	41.12	-	41.12

Notes to Standalone Financial Statements

for the year ended March 31, 2025

45. AGGREGATION OF EXPENSES DISCLOSED IN PROJECT COST VIDE NOTE 30 IN RESPECT OF SPECIFIC ITEMS INCLUDED IN SALARIES AND WAGES, OTHER EXPENSES AND FINANCE COST VIDE NOTE 31, 34 AND 32 IS AS FOLLOWS : (Contd..)

Nature of expenses	Year	Note 30	Note 31	Note 34	Note 32	₹ crores Total
Warranty Cost	As at March 31, 2025	0.09	-	75.61	-	75.70
	As at March 31, 2024	0.06	-	39.91	-	39.97
Miscellaneous expenses	As at March 31, 2025	2.82	-	47.54	-	50.36
	As at March 31, 2024	1.87	-	48.49	-	50.36
Bank charges	As at March 31, 2025	6.30	-	-	6.14	12.44
	As at March 31, 2024	3.17	-	-	4.97	8.14

46(a). DETAILS OF REVENUE EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Employee benefits expense	10.97	13.03
Cost of raw material and components consumed	7.20	3.84
Legal and professional fees	14.02	1.72
Depreciation	11.14	11.37
Others	16.40	17.24
Total revenue expenditure directly related to research and development	59.73	47.20

46(b). DETAILS OF CAPITAL EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Tangible assets		
Buildings	1.47	7.48
Plant and equipment	15.34	39.28
Furniture and fixtures	0.58	0.06
Office equipments	0.63	0.97
Vehicles	3.70	1.43
Computers	0.31	0.54
Intangible Assets		
Technical knowhow	15.36	36.67
Software	0.75	1.02
Total capital expenditure directly related to research and development	38.14	87.45

Note :

The above expenses is net off ₹ 32.82 crore grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

47. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS

1. Disaggregation of revenue:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors:

Timing of transfer of goods and services	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
Electro -Mechanical Projects and Commercial Air Conditioning Systems	2,225.00	3,532.88	5,757.88	1,744.98	2,807.37	4,552.35
Unitary Products	5,513.66	53.84	5,567.50	4,397.99	48.54	4,446.53
Professional Electronics and Industrial Systems	0.37	-	0.37	-	-	-
Total	7,739.03	3,586.72	11,325.75	6,142.97	2,855.91	8,998.88

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 & construction and service contracts at contracted price	11,597.88	9,196.28
Reductions towards variable consideration components*	(272.13)	(197.40)
Revenue recognized of profit and loss	11,325.75	8,998.88

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

- Revenue recognised relating to performance obligations that were satisfied in a prior year amounted to ₹ NIL (March 31, 2024 ₹ Nil crore).
- The aggregate value of Order Book as at March 31, 2025, is ₹ 5,917 crore (March 31, 2024 ₹ 5,308.00 Crore). Out of this, the Company expects to recognize revenue of around 60% within the next one year and the remaining thereafter
- Changes in contract assets and contract liabilities during the reporting period:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
	₹ crores	₹ crores
Opening balance - Contract assets (net of impairment)	684.47	556.02
Opening balance - Contract liabilities	(182.04)	(135.20)
Net contract assets	502.43	420.82
Add: Revenue recognised during the year	3,586.72	2,861.47
Less: Progress billing during the year	(3,522.99)	(2,779.86)
Closing Balance	566.16	502.43
Closing balance contract assets (net of impairment)	815.95	684.47
Closing balance contract liabilities including income received in advance	(249.79)	(182.04)
The Company has recognised revenue out of opening contract liabilities	168.84	117.87

Notes to Standalone Financial Statements

for the year ended March 31, 2025

48. UTILISATION OF PROCEEDS FROM QUALIFIED INSTITUTIONAL PLACEMENT

The Company had issued 1,29,87,012 equity shares of face value of ₹ 2 each through Qualified Institutional Placement, (QIP) on September 22, 2023 at an issue price of ₹ 770 per equity share (including premium of ₹ 768 per equity share). Total amount raised through QIP amounts to ₹ 1,000 crore.

Following are the details of utilization of proceeds of ₹ 981.78 crore post meeting issue expenses of ₹ 18.22 excluding GST and net of TDS:

Agreed purpose	March 31, 2025			March 31, 2024			₹ crores
	Proposed Utilisation	Amount utilised	Amount unutilised	Proposed Utilisation	Amount utilised	Amount unutilised	
Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Limited	565.56	565.56	-	565.56	565.56	-	
Investment into subsidiary, Blue Star Climatech Limited, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by Blue Star Climatech Limited	169.44	169.44	-	169.44	169.44	-	
Investment into subsidiary, Blue Star Climatech Limited, for financing the cost towards the expansion of Sri City Facility	125.00	125.00	-	125.00	95.56	29.44	
General corporate purpose	121.78	121.78	-	121.78	121.70	0.08	
Total	981.78	981.78	-	981.78	952.26	29.52	

49. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE:

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	₹ crores
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Purchase	-	(0.08)	-	(0.08)	Vendor	
Cooltech Systems Private Limited	U74140DL2014PTC266635	Purchase	-	(0.07)	-	(0.07)	Vendor	
New Tech Infra Engineers	U45201DL2012PTC230791	Purchase	-	(0.06)	-	(0.06)	Vendor	
Ask Solar Private Limited	U40300TN2012PTC088834	Purchase	-	(0.04)	-	(0.04)	Vendor	
Vrv Engineers Private Limited	U50101TN2006PTC061058	Purchase	-	(0.01)	-	(0.01)	Vendor	
Fortune Metal Facades(Pun	U27109PN2010PTC136584	Purchase	-	(0.01)	-	(0.01)	Vendor	
Saqib Tech India Private Limited	U22212DL2012PTC230515	Purchase	-	*	-	*	Vendor	
Scanstar Inspection Techn	U74999TN2011PTC080315	Purchase	-	*	-	*	Vendor	
Pioneer Techno Engineering	U45303OR2012PTC016137	Purchase	-	*	-	*	Vendor	
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Purchase	-	*	-	*	Vendor	
Competent Engineers	U45203DL1981PTC012338	Purchase	-	*	-	*	Vendor	
United Agro Care India Private Limited	U01111PY2007PTC002031	Purchase	-	*	-	*	Vendor	
Jans Arya Developers Privated Limited	U45400HR2014PTC051982	Purchase	-	*	-	*	Vendor	
Vsm Consulting Services	AAA-2181	Purchase	-	*	-	*	Vendor	
Acme D Ace Marketing Solutions	U93000DL2013PTC252498	Purchase	-	*	-	*	Vendor	
Apple Insulated Wires Private Limited	U31300DN1997PTC000182	Purchase	-	*	-	*	Vendor	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

49. DETAILS OF STRUK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

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	₹ crores
Gourmet King LLP	AAQ-5266	Purchase	-	*	-	-	Vendor	
Reidius Electricals Private Limited	U74999HR2017PTC069448	Purchase	-	*	-	-	Vendor	
UTR Bondings Private Limited	U63000RJ2017PTC057401	Purchase	-	*	-	-	Vendor	
Nabrup Merchant Private Limited	U51109WB2007PTC119741	Purchase	-	*	-	-	Vendor	
S B Infrabuild Private Limited	U45200DL2010PTC206455	Purchase	-	*	-	-	Vendor	
Balcon Engineering & Tec	U93000TN2013PTC090657	Purchase	-	*	-	-	Vendor	
Saim Air Private Limited	U74900UP2014PTC063764	Purchase	-	*	-	-	Vendor	
Glacier Technologies Private Limited	U52334AS2005PTC007954	Purchase	-	*	-	-	Vendor	
Trouble Clear Consumer SroO	U74999DL2016PTC305347	Purchase	-	*	-	-	Vendor	
Stellent Engineering Solution	U74999DL2011PTC221535	Purchase	-	*	-	-	Vendor	
Hi - Volt Engineering Private Limited	U74999TN2012PTC085054	Purchase	-	*	-	-	Vendor	
Y-ARK Consultancy Services	U74120TG2015PTC101075	Purchase	-	*	-	-	Vendor	
Anuhan Construction Private Limited	U45400MH2012PTC235387	Purchase	-	*	-	-	Vendor	
Tonvolt Engineering Private Limited	U74999TN2017PTC118133	Purchase	-	*	-	-	Vendor	
Gold Fox Guardians Private Limited	U74999KA2017PTC103039	Purchase	-	0.01	-	-	Vendor	
Govinda Choudhury & CO Private Limited	U452020R1996PTC004300	Sales	-	*	-	-	Customer	
KMS Electronics Private Limited	U52335WB1994PTC065698	Sales	0.02	*	0.02	*	Customer	
Fair Electronics & Appliances	U32200MH1997PTC105675	Sales	-	*	-	-	Customer	
Ilona Hospitalites Private Limited	U55209KA2017PTC104385	Sales	-	*	-	-	Customer	
Air Command Hvac Engineer	U29192TN2007PTC064299	Sales	-	*	-	-	Customer	
Vedanta Healthcare Private Limited	U24230MH1996PLC102280	Sales	-	*	-	-	Customer	
Kashi Electronics Private Limited	U32101UP1983PTC006139	Sales	-	*	-	-	Customer	
Tranquility Industries	U29242PN2013PTC147716	Sales	-	*	-	-	Customer	
Associated Aircon Private Limited	U29192DL1999PTC100348	Sales	-	*	-	-	Customer	
Skyline Distributors Private Limited	U26931DL1991PTC045481	Sales	-	*	-	-	Customer	
Digital Infosystem Private Limited	U74200A1999PTC005900	Sales	-	*	-	-	Customer	
Rahul Electronics Private Limited	U32109KA1997PTC022173	Sales	-	*	-	-	Customer	
Perfect Cool Services LLP	AAO-2492	Sales	-	*	-	-	Customer	
Congeal Technology Private Limited	U74999KA2017PTC107852	Sales	-	*	-	-	Customer	
Micro Flow Contamination	U90001TN2015PTC101441	Sales	0.06	*	0.16	*	Customer	
Jassbys Chennai Pvt Ltd Sherlock Bar	U55100TN2017PTC115361	Sales	-	*	-	-	Customer	
Koolnest Private Limited	U29191KA1996PTC020089	Sales	-	*	-	-	Customer	
Shree Ganesh Aircon Engineers	U31909RJ2011PTC037423	Sales	-	*	-	-	Customer	
Impactiva Manufacturing Systems India Private Limited	U72900TN2012PTC087866	Sales	-	*	-	-	Customer	
Saim Air Private Limited	U74900UP2014PTC063764	Sales	-	*	-	-	Customer	
VBR Pacific Private Limited	U51909TN2019PTC130620	Sales	-	*	-	-	Customer	
The Minor Food Group (India) Private Limited	U55101DL2014PTC266136	Sales	-	*	-	-	Customer	
Sohnatel Hospitalities Private Limited	U55101DL2017PTC317579	Sales	-	*	-	-	Customer	
Lahari Resorts	U55103AP1996PTC022911	Sales	-	*	-	-	Customer	
Ice Cream Foods Private Limited	U15205MH2009PTC196634	Sales	-	*	-	-	Customer	
Concept Bakers Private Limited	U15411TN2010PTC076839	Sales	-	*	-	-	Customer	
Drool Foods Private Limited	U55101DL2010PTC208491	Sales	-	*	-	-	Customer	
Indo Fill India Limited	U24119DL1981PTC011341	Sales	-	*	-	-	Customer	
Serafina New York	U55100TG2013PTC089406	Sales	-	*	-	-	Customer	
Welspun India Limited	U99999MH1985PLC035092	Sales	-	*	-	-	Customer	

Notes to Standalone Financial Statements

for the year ended March 31, 2025

49. DETAILS OF STRUK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

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
The Scottish High International	U80900DL2009NPL190770	Sales	0.04	*	-	*	* Customer
Adam Exports Private Limited	U17299MH2015PTC263547	Sales	0.02	*	0.02	*	* Customer
Narayana Multispeciality	U85110MH2011PTC220765	Sales	0.02	*	(0.01)	*	* Customer
Saturn Fitness OPC Private Limited	U74999MH2017OPC302017	Sales	-	*	-	*	* Customer
Shroff eye centre	U85110GJ1997PTC031663	Sales	0.02	-	-	*	* Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Sales	-	-	-	*	* Customer
Turner And Miller Technology	U72200KA2008PTC047612	Sales	-	-	-	*	* Customer
BMK Express Automobiles private limited	U50404TN2010PTC074181	Sales	-	-	-	*	* Customer
Factotum Consultancy Service	U74900PN2010PTC136350	Sales	-	-	-	*	* Customer
Habitare hotels and Resort	U55101HR2012PTC047878	Sales	-	-	-	*	* Customer
Shamk Mercantile Private Limited	U52331OR2015PTC019261	Sales	0.06	*	0.01	*	* Customer

* Indicates amount less than ₹ 1 lakh

50. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- 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.
- iii. 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).
- iv. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- v. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

51. EMPLOYEE SHARE BASED PAYMENT PLANS

Employees Stock Option Scheme - 2024

This Scheme shall be called the "**BLUE STAR EMPLOYEES STOCK OPTION SCHEME - 2024**" hereinafter referred as "the Scheme". The Scheme was recommended by the Nomination and Remuneration Committee on August 1, 2024 and approved by the Board of Directors on August 6, 2024 and by the Shareholders of the Company by way of special resolution on September 25, 2024. The Scheme shall be effective from the date of approval of the Scheme by the shareholders of the Company (i.e.) September 25, 2024 ("Effective Date"). The Scheme is in accordance with the regulations prescribed by SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other regulation as applicable to the Company and shall not contravene any law, for the time being in force that is material for giving effect to such Scheme.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

51. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

The Scheme shall continue in effect unless terminated by the Board of Directors or Nomination and Remuneration Committee or until all the Options granted under the Scheme are vested and exercised whichever is earlier. Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect, subject to clause 14.3 and 14.5, as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / Nominee / Legal Heirs and the Company.

The total number of Options that may be granted pursuant to this Scheme shall not exceed 5,00,000 (Five Lakhs only) convertible into equity shares at face value of ₹ 2/- each (or such other adjusted figure consequent to Corporate Action).

The Exercise Price of the Options granted shall be the face value of the Share, i.e., ₹ 2/- (or as adjusted by the corporate action(s)). No amount shall be payable at the time of Grant of Options.

The maximum number of Stock Options to be granted to any Eligible Employee under the Scheme shall not exceed 1,00,000.

The Grant of 1 (One) Option to an Eligible Employee under this Scheme shall entitle such Eligible Employee to apply for 1 (One) Share in the Company upon payment of Exercise Price and applicable taxes and subject to terms and conditions provided in the Scheme and in the Grant Letter.

Vesting Period for Options shall commence after minimum 1 (One) year from the Grant Date and it may extend upto maximum of 5 (Five) years from the Grant Date or such lesser period as may be decided by the NRC at its sole discretion from time to time.

The Exercise Period shall be 7 (seven) years from the Grant Date or such lesser period as may be decided by the NRC. The Exercise Period will be specified in the Grant Letter issued to the Eligible Employees. Failure to exercise the Options within the specified time period, shall result in lapsing of Vested Options in the hands of Grantee.

The outstanding position as at March 31, 2025 is summarised below:

Particulars	ESOP Plan 2024
Grant Date	October 21, 2024
Fair value on grant date	1,983.61
Options granted during the year	80,660
Transfer In	-
Transfer Out	-
Forfeited during the period	-
Exercised during the period	-
Outstanding as on March 31, 2025	80,660
of above - vested outstanding options	NIL
of above unvested outstanding options	80,660
Vesting period	
The vesting schedule is as below:	
1st year (first tranche), 25% (October 20, 2025)	
2nd year (second tranche), 25% (October 20, 2026)	
3rd year (third tranche), 25% (October 20, 2027)	
Remaining 25% as the end of 4th year. (October 20, 2028)	
Exercise period	7 Years from date of Vesting
Weighted average remaining contract life	7 Years from date of Vesting
Exercise price	₹ 2 per share
Weighted average share price for shares exercised during the year	Not Applicable

Notes to Standalone Financial Statements

for the year ended March 31, 2025

51. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

Particulars	ESOP Plan 2024
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield
Risk free rate of interest	This is based on the yields on Indian government bonds of term equivalent to the expected life of the option as on the grant date.
Expected Volatility	As the Company is listed on the stock exchange thus, the historical share price data for the relevant period is readily available. The expected volatility for the options issued by the company has been determined after observing the Company's historical volatility.
Stock price	As the Company is listed on the stock exchange thus, the share price data is readily available. As advised by the Company, we have used the closing share price of the Company as on the grant date.
Exercise period	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period for which the options can not be exercised and the maximum life is the period after which the option can not be exercised. The expected remaining life of the option has been taken based on exercise term of the options i.e, 7 years from the grant date.
Dividend yield	We understand that the Company has historically paid dividends and have a dividend payment policy in place. It should be noted that the input on dividend yield has been considered as per the data available in public domain. The same has been verified by the Company.
Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of the employee stock option (ESOP) Granted has been estimated using black-Scholes model of pricing. The black-Scholes model requires the consideration of certain variables such as share price, Exercise price, Volatility, Risk free rate, Expected dividend yield, and expected option life, For the calculation of fair value of the option.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

51. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

Fair Value of stock options granted:

Specific assumptions used in the Black-Scholes Option Pricing Formula:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturity term	Risk free rate of interest	Volatility	Dividend
21-Oct-25	2017.85	2.00	4.00	6.86%	31.00%	0.35%
21-Oct-26	2017.85	2.00	4.50	6.86%	31.95%	0.35%
21-Oct-27	2017.85	2.00	5.00	6.85%	33.25%	0.35%
21-Oct-28	2017.85	2.00	5.50	6.85%	33.35%	0.35%

During the year, the Company has recognized an expense of ₹ 3.36 crores ((March 31, 2024 - Nil) which is net of recoveries from subsidiaries of ₹ 0.34 crores.

52. AUTHORISATION FOR ISSUE OF THE STANDALONE FINANCIAL STATEMENTS

The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 06, 2025 and May 07, 2025.

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

Vir S. Advani
Chairman and Managing Director
(DIN: 01571278)

B. Thiagarajan
Managing Director
(DIN: 01790498)

Rajesh Parte
Company Secretary
Mumbai: May 07, 2025

Nikhil Sohoni
Group Chief Financial Officer

Shareholder's Information

SHAREHOLDER INQUIRIES

Shareholders may note that activities concerning share certificates, dividend, address changes (for shares in physical form), lost share certificates and all other investor related matters are attended to and processed at the office of the Company's Registrar and Transfer Agent. Address changes, bank account updation and other related matters in respect of dematerialised shares should be intimated to concerned depository participant.

CORPORATE OFFICE

Blue Star Limited
Band Box House, 4th Floor,
254 D, Dr Annie Besant Road,
Worli, Mumbai 400 030
Tel: +91 22 6654 4000
Fax: +91 22 6654 4001
Website: www.bluestarindia.com
CIN: L28920MH1949PLC006870

REGISTRAR AND TRANSFER AGENT

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
C-101, 1st Floor C Tower,
247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 8108116767
Toll-free No.: 1800 1020 878
Email: rnt.helpdesk@in.mmps.mufg.com

DEMATERIALISATION

The Company has made arrangements for dematerialisation of its shares through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Since the Company's shares are traded in dematerialised mode, the shareholders are requested to dematerialise their shareholding.

INVESTOR RELATIONS PROGRAMME

The Company has an active investor relations programme directed to both individual and institutional investors. The Company's investor relations mission is to maintain an ongoing awareness of the Company's performance among its shareholders and the financial community. The Company welcomes inquiries from its investors, large or small, as well as from members of the financial community.

For further information, please contact the Company's Investor Relations Department at the Corporate Office address.

BLUE STAR SHAREHOLDERS

As of March 31, 2025, the Company has 1,29,555 registered shareholders. The Promoters hold 36.47% of the Company's shares. 17.96% of the Company's shares are held by Resident individual investors while Foreign Investors, Institutions, Bodies Corporate and others hold the residual shares.

STOCK EXCHANGE LISTINGS

BSE Limited
National Stock Exchange of India Ltd

DEPOSITORIES

National Securities Depository Limited
301, 3rd Floor, Naman Chambers,
G Block, Plot No- C-32,
Bandra Kurla Complex, Bandra East,
Mumbai- 400051
Tel: +91 22 - 4886 7000

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor
NM Joshi Marg, Lower Parel
Mumbai 400 013
Tel: +91 8069144800

COMPANY SECRETARY & COMPLIANCE OFFICER

Rajesh Parte
Email: secretarialdesk@bluestarindia.com
Tel: +91 22 6654 4000

NOTES

