BLUE STAR

Blue Star Limited
Band Box House, 4th Floor,
254 D, Dr Annie Besant Road,
Worli, Mumbai 400 030, India.
T : +91 22 6654 4000
E : secretarialdesk@bluestarindia.com
www.bluestarindia.com

July 13, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **BSE Scrip Code: 500067**	**National Stock Exchange of India Ltd** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **NSE Symbol: BLUESTARCO**

Dear Sir/Madam,

Sub: Intimation under Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') - Notice of 78th Annual General Meeting and Integrated Annual Report of the Company for the Financial Year 2025-26

Please refer to our letter dated May 6, 2026, with respect to the 78th Annual General Meeting (the 'AGM') of the Members of the Company scheduled to be held on Thursday, August 6, 2026 at 3:30 p.m. (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') in compliance with the applicable circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In this regard, please find enclosed the following:

1. Integrated Annual Report of the Company for the Financial Year 2025-26;

2. Notice of the 78th AGM. The brief details of the agenda items proposed to be transacted at the 78th AGM are given as Annexure A.

The schedule of remote e-voting facility is as under (both days inclusive):

Event	Day, Date and Time
Cut-off date for e-voting	Thursday, July 30, 2026
Commencement of remote e-voting	Saturday, August 1, 2026 (9:00 a.m. IST)
End of remote e-voting	Wednesday, August 5, 2026 (5:00 p.m. IST)

Links for casting votes through remote e-voting and for attending and e-voting at the 78th AGM are as under:

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www.bluestarindia.com

Event	Day, Date and Time
For all Members through NSDL Portal:	https://www.evoting.nsdl.com/
For Members holding shares in demat mode with NSDL:	https://eservices.nsdl.com or https://www.evoting.nsdl.com/
For Members holding shares in demat mode with CDSL:	https://web.cdslindia.com/myeasitoken/home/login or https://www.cdslindia.com/

Detailed instructions for remote e-voting, participation in the AGM through VC/OAVM and e-voting at the AGM are provided in the Notice of the 78th AGM.

Kindly note that the aforesaid documents are being sent through electronic mode to all those Members whose email address are registered with the Company/MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) (the “Registrar and Transfer Agent” of the Company)/Depository Participant(s) in accordance with the applicable circulars. Physical copies of the same will be provided to the Members on request.

Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter is being sent to Members whose e-mail id are not registered with the Company/the Registrar and Transfer Agent/the Depository Participant(s) providing the weblink and QR code where the Integrated Annual Report of the Company for the Financial Year 2025-26 and the Notice of the 78th AGM can be accessed on the Company’s website.

The aforesaid documents are available on the website of the Company at https://www.bluestarindia.com/investors/annual-report and website of National Securities Depository Limited (“NSDL”), e-voting agency at https://www.evoting.nsdl.com/.

This intimation is also being placed on the website of the Company at www.bluestarindia.com

Kindly take the same on records.

Thanking you,
Yours faithfully,
For **Blue Star Limited**

RAJESH DIGAMBAR PARTE Digitally signed by RAJESH DIGAMBAR PARTE Date: 2026.07.13 20:35:26 +05'30'

BLUE STAR LIMITED

Rajesh Parte
Company Secretary & Compliance Officer
Encl.: a/a

Blue Star Limited
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Annexure A

Resolution No.	Details of Business	Ordinary / Special Resolution
ORDINARY BUSINESS		
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, along with the reports of the Board of Directors and Auditors thereon.	Ordinary
2	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the report of the Auditors thereon.	Ordinary
3	To declare a final dividend of ₹ 8.5 per equity share of the face value of ₹ 2 each of the Company for the financial year ended March 31, 2026	Ordinary
4	To appoint a Director in place of Rajiv R Lulla (DIN: 06384402), who retires by rotation, and being eligible, offers himself for re-appointment.	Ordinary
SPECIAL BUSINESS		
5	Approval of Cost Auditors' remuneration for Financial Year 2027	Ordinary

Notice of the Annual General Meeting

BLUE STAR LIMITED
CIN: L28920MH1949PLC006870
Registered Office: Kasturi Buildings
Mohan T Advani Chowk,
Jamshedji Tata Road, Mumbai 400 020
Email: investorrelations@bluestarindia.com
Website: www.bluestarindia.com
Telephone No.: +91 22 6665 4000

NOTICE is hereby given that the 78th Annual General Meeting (the 'AGM') of the Members of Blue Star Limited ('the Company') will be held on Thursday, August 6, 2026 at 3:30 p.m. IST through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, along with the reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the report of the Auditors thereon.

3. To declare a final dividend of ₹ 8.5 per equity share of the face value of ₹ 2 each of the Company for the financial year ended March 31, 2026.

4. To appoint a Director in place of Rajiv R Lulla (DIN: 06384402), who retires by rotation, and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   Approval of Cost Auditors' remuneration for Financial Year 2027

   "**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') and all other applicable provisions of the Act, the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, if any, for the time being in force) and recommendation of the Audit Committee, Narasimha Murthy & Co, Hyderabad, Cost Accountants, (Firm Registration No. 000042), appointed by the Board of Directors of the Company as Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ended on March 31, 2027, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

BLUE STAR LIMITED
Kasturi Buildings
Mohan T Advani Chowk
Jamshedji Tata Road
Mumbai 400 020
CIN: L28920MH1949PLC006870
Website: www.bluestarindia.com
Email: investorrelations@bluestarindia.com
Tel: +91 22 6665 4000

By Order of the Board of Directors

Rajesh Parte
Company Secretary & Compliance Officer
Membership No. A10700

Date May 6, 2026
Place : Mumbai

:

NOTES:

1. Pursuant to the General Circular number 20/2020 dated May 5, 2020 read with circular nos. 14/2020 & 17/2020 dated April 8, 2020 and April 13, 2020 respectively, and MCA General Circular no. 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs (MCA) and such other applicable circulars issued by MCA and the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'the Circulars'), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN COMPLIANCE WITH THE CIRCULARS THE AGM IS BEING HELD THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM.**

3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of the Special Business specified under Item no. 5 of the accompanying Notice is annexed hereto.

4. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Secretarial Standard on General Meetings (SS-2), with respect to Directors seeking appointment/re-appointment at the AGM, is annexed to this Notice.

5. Corporate Members intending to authorise their representatives to participate in the AGM through VC/OAVM on its behalf and to vote through remote e-voting/during the AGM, pursuant to Section 113 of the Act are requested to send a certified copy of the relevant board resolution to the Scrutiniser by email through its registered mail addresses to deeptiyavagal@mmjc.in with a copy marked to evoting@nsdl.com.

6. The dividend, as recommended by the Board, if approved by Members at the AGM, will be paid only through electronic mode, after August 6, 2026, subject to deduction of tax at source ('TDS') to those Members or their mandates whose names appear as Members / Beneficial Owners as at the end of the business hours on Friday, July 17, 2026 ('Record Date'), in the list of Register of Members / Beneficial Owners.

   As per Regulation 12 of Listing Regulations and the Master Circular for Registrars to an Issue and Share Transfer Agents dated February 6, 2026 issued by SEBI, payment of dividend to members holding shares in physical mode shall only be made electronically. Such payment shall be made only after they have furnished their Permanent Account Number, Contact Details (Postal Address, Mobile Number and E-mail), Bank Account Details, Specimen Signature, etc., for their corresponding physical folios with the Company / MUFG Intime India Private Limited (formerly Link Intime India Private Limited), Registrar and Transfer Agent (RTA). Relevant FAQs have been published by SEBI in this regard. Please refer to SEBI FAQs by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2026/1767611333081.pdf. For shareholders holding shares in dematerialized form, bank details may be updated with their depository participant.

7. Pursuant to the provisions of Section 124 of the Act, the unpaid/unclaimed dividend up to the financial year 2017-18 has been transferred by the Company to the Investor Education and Protection Fund (the 'IEPF') established by the Central Government.

8. Pursuant to the provisions of Section 124(5) of the Act, dividend for the financial year 2018-19, which remain unpaid/unclaimed for a period of 7 years or more, will be transferred to the IEPF. Members whose dividend for the financial year 2018-19 are unpaid/unclaimed are requested to make their claim to RTA on investor.helpdesk@in.mpms.mufg.com or to the Secretarial Department on secretarialdesk@bluestarindia.com, failing which the unpaid/unclaimed amount will be transferred to the IEPF in the month of September, 2026. Further, all the shares in respect of which dividends has remained unpaid/unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. An amount of ₹ 60,72,740 being unclaimed/unpaid dividend of the Company for the Financial Year 2017-18 was transferred in September, 2025 to IEPF.

Members who have not claimed their dividends declared by the Company for the Financial Year 2018-19 and thereafter, are requested to make their claim to RTA well in advance of the last dates for claiming such unclaimed and unpaid dividends as specified hereunder:

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid and unclaimed Dividend
2018-19	August 13, 2019	September 18, 2026
2019-20 (Interim)	March 12, 2020	April 17, 2027
2020-21	August 4, 2021	September 9, 2028
2021-22	August 4, 2022	September 9, 2029
2022-23	August 3, 2023	September 8, 2030
2023-24	August 6, 2024	September 11, 2031
2024-25	August 6, 2025	September 11, 2032

Members are requested to take note of the aforesaid and claim their unpaid/unclaimed dividends immediately to avoid transfer of the underlying shares. Details of unpaid/unclaimed dividend are uploaded on the website of the Company at https://www.bluestarindia.com/investors/dividend. Members can however, claim both, the unpaid/unclaimed dividend amount and the shares transferred to the 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 and in the manner specified under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

The last date for claiming unpaid/unclaimed dividend for the financial year 2018-19 is Friday, September 18, 2026. All concerned Members are requested to make an application to the Company's RTA or the Company preferably by Monday, August 31, 2026 with a request for claiming unclaimed dividend for the financial year 2018-19 and onwards to enable processing of claims before the due date. In case, no valid claim in respect of unclaimed dividend is received from such Members by due date, the Company shall, with a view to complying with the requirements set out in the IEPF Rules, transfer the unclaimed dividend to the IEPF Authority as per procedure stipulated in the IEPF Rules.

9. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is MUFG Intime India Private Limited (formerly Link Intime India Private Limited) having their office at C-101, 1st Floor C Tower, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400 083.

10. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participants (DP). Members holding shares in physical form are requested to intimate the changes to the RTA of the Company. These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members.

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA of the Company.

12. Regulation 40 of the Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI has mandated that listed companies shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this, as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

13. Members are requested to follow the process detailed below for registration of email address, updation of bank account details and other KYC details:

Physical	As per the SEBI Master Circular for Registrars to an Issue and Share Transfer Agents dated February 6, 2026, payment of dividend to members holding shares in physical mode shall only be made electronically. Such payment shall be made only after they have furnished their Permanent Account Number, Contact Details (Postal Address, Mobile Number and E-mail), Bank Account Details, Specimen Signature, etc., for their corresponding physical folios with the Company / RTA. Members are once again requested to update their KYC details by submitting the Investor Service Request (ISR) Forms so that the folios can be KYC updated before the record date of Dividend i.e. Friday, July 17, 2026. The details of KYC forms are as under:	
	Form for registration of PAN, email address, bank account details, mobile number, registered address and other KYC details or changes/update thereof	Form ISR-1
	Update signature of securities holder	Form ISR-2
	For nomination as provided in the Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
	Declaration to opt-out from nomination	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14
	The forms for updating the above details are available on the website of the Company under the weblink at https:// www. bluestarindia.com/investors/shareholder-information and of the RTA under the weblink at https://web.in.mpms.mufg.com/KYC-downloads.html. Members can download the forms to make their service request with RTA either by email to investors.helpdesk@in.mpms.mufg.com from the registered email id or by sending post to C-101, 1st Floor C Tower, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400 083.	
Demat	Please contact your DP and register your email address, bank account details and other KYC details in your demat account, as per the process advised by your DP.	

14. Shareholders may note that the Income Tax Act, 2025, mandates that the dividend paid or distributed by a company shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct TDS at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 2025.

For Resident shareholders, TDS shall be deducted at 10% on the amount of dividend under the Income Tax Act, 2025, where shareholders have registered their PAN with Depositories (for shares held in demat form) or with the Company/RTA (for shares held in physical form). Shareholders are requested to note that in case their PAN is not registered, TDS will be deducted at a higher rate of 20%. However, no TDS shall be deducted on the dividend payable to a resident Individual if:

- Total dividend to be received by them during the tax year 2026-27 does not exceed ₹ 10,000; or
- The shareholder provides Form 121 - Part A (applicable to Individuals below and above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form, if the prescribed requirements under the Act are not fulfilled.
- Exemption certificate is issued by the Income tax department, if any.

In case, shareholders provide certificate under section 395(1) of Income Tax Act, 2025 or under section 197 of the Income-tax Act, 1961, for lower/NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy to the Company.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits.

Drafts of necessary documents along with detailed note on applicability on TDS on dividend are available on the website of the Company under weblink at https://www.bluestarindia.com/media/404914/seintimationtdscommunication.pdf. The aforesaid documents and declarations are required to be submitted to our RTA at its dedicated weblink at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html on or before Friday, July 17, 2026 by 5:00 p.m. No communication on the tax determination/deduction in respect of the final dividend shall be considered/entertained post Friday, July 17, 2026, 5:00 p.m. Shareholders may note that any queries in this respect should be addressed and sent to our RTA.

An email communication is sent to Members on June 5, 2026, regarding this change in the Income Tax Act, 2025 as well as relevant procedure to be adopted by the Members to avail the appropriate tax rate.

15. In compliance with the Circulars, the Annual Report for the financial year 2025-26 along with the Notice of the AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only through electronic mode to those Members whose email addresses are registered with the Company/DP. Members may note that the Annual Report and the Notice is also available on the Company's website at www.bluestarindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Ltd at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL at https://www.evoting.nsdl.com.

    Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to Members whose e-mail IDs are not registered with Company/RTA/DPs containing a Quick Response Code and the weblink of Company's website from where the Annual Report for the financial year 2025-26 including the Notice of this AGM can be accessed. Physical copies of the Annual Report and the Notice of the AGM will be provided to Members on request.

16. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. Members seeking any information with regard to the accounts or all documents referred to in the accompanying Notice and the Explanatory Statement will be available electronically for inspection by the Members during the AGM by sending an email request to secretarialdesk@bluestarindia.com. The same will be replied by the Company suitably.

18. Since the AGM will be held through VC/OAVM, the route map, proxy form and attendance slip are not annexed to this Notice of the AGM.

19. VOTING THROUGH ELECTRONIC MEANS

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Circulars and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be considered at the ensuing AGM by electronic means and the business may be transacted through e-voting services.

II. The remote e-voting will be provided by NSDL which will commence from Saturday, August 1, 2026 (9:00 a.m. IST) and end on Wednesday, August 5, 2026 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., Thursday, July 30, 2026 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system.

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of the SEBI Master Circular dated January 30, 2026, on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote by way of single login credential, through their demat account maintained with depositories/websites of Depositories/ Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. OTP based login:** 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp on a Personal Computer or on a mobile. 2. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. 3. Enter the OTP received on registered email id/mobile number and click on login. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	B. NSDL IDeAS facility **If you are already registered for NSDL IDeAS facility:** 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **If the user is not registered for IDeAS e-Services:** 1. The option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Proceed with completing the required fields. 4. Please follow steps given in above-mentioned para, to use the IDeAS facility.
	C. E-voting website of NSDL: 1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Type of shareholders	Login Method
	D. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com and click on 'New System Myeasi'. 2. After successful login on Easi/ Easiest, the user will also be able to see the e-voting Menu. The Menu will have links of e-voting service provider ('ESP') i.e. NSDL. Click on NSDL to cast your vote or join virtual meeting and vote during the meeting. 3. If the user is not registered for Easi/ Easiest, option to register is available at: www.cdslindia.com 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and email as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their demat account/website of depository participants	Individual members holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts through their demat accounts / websites of Depository Participants registered with NSDL / CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use "Forget User ID" and "Forget Password" option available on the abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022 – 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911

B. Login method for e-voting and joining virtual meeting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in physical form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 140176 then user ID is 140176001***

5. Password details for shareholders other than Individual Shareholders are given below:

   a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

      i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii. If your email ID is not registered, please follow the steps mentioned in process for those shareholders whose email id are not registered.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

   a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of the Company, which is 140176 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under "Join General Meeting".

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to investor.helpdesk@in.mpms.mufg.com.

2. In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + CLIENT ID or 16-digit beneficiary ID), name of shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to investor.helpdesk@in.mpms.mufg.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholders may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI Master Circular dated January 30, 2026, on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their their demat account maintained with depositories/websites of Depositories/ Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to deeptiyavagal@mmjc.in with a copy marked to evoting@nsdl.com.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.

   In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 – 4886 7000 or send a request at evoting@nsdl.com.

IV. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. In case of any grievances connected with facility for e-voting on the day of AGM, please contact Ms Pallavi Mhatre, Senior Manager, at email id: evoting@nsdl.com.

V. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see the link of "VC/OAVM link" placed under "Join General Meeting" menu against the company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through desktop/laptops for better experience. Further, Members will be required to allow camera and use internet with high-speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

3. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-serve basis and the Company may close the window for joining the VC/OAVM facility 30 minutes after the scheduled time to start the AGM.

4. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-serve principle.

5. Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.com or call on toll free no.: 022 – 4886 7000 or contact Ms Pallavi Mhatre, Senior Manager - NSDL at evoting@nsdl.com.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at agmspeakers@bluestarindia.com by Friday, July 24, 2026 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VI. OTHER INSTRUCTIONS:

i. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

ii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Thursday, July 30, 2026.

iii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, July 30, 2026, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 022 – 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the

Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, July 30, 2026 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

iv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting during the AGM.

v. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarialdesk@bluestarindia.com. The same will be replied by the Company suitably.

vi. Ms Deepti Kulkarni (Membership No. A34733 and CP No. 22502) or failing her Mr Omkar Dindorkar (Membership No. A43029 and CP No. 24580) of MMJB & Associates LLP, Company Secretaries have been appointed as the Scrutiniser to scrutinise the remote e-voting process and e-voting during the AGM in a fair and transparent manner.

vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, to all those Members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

viii. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ix. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company at www.bluestarindia.com and on the website of NSDL at www.evoting.nsdl.com immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Ltd, where the shares of the Company are listed.

x. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Thursday, August 6, 2026.

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the 'Act') and the Companies (Audit and Auditors) Rules, 2014 (the 'Rules'), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 6, 2026, has approved appointment of Narasimha Murthy & Co, Hyderabad, Cost Accountants (Firm Registration No. 000042), as the Cost Auditor of the Company for the financial year ended on March 31, 2027 at a remuneration of ₹ 15,73,000 (Rupees Fifteen Lakhs Seventy Three Thousand only) plus reimbursement of out of pocket expenses and other actual expenses incurred during the course of audit and applicable statutory levies. The remuneration of the cost auditor is required to be approved by the Members, in accordance with the provisions of the Act and the Rules.

While making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company.

Narasimha Murthy & Co have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board of Directors recommend the ordinary resolution as set out at item no. 5 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are, financially or otherwise, concerned or interested in the said resolution.

By Order of the Board of Directors

Rajesh Parte
Company Secretary & Compliance Officer
Membership No. A10700

BLUE STAR LIMITED
Kasturi Buildings
Mohan T Advani Chowk
Jamshedji Tata Road
Mumbai 400 020
CIN: L28920MH1949PLC006870
Website: www.bluestarindia.com
Email: investorrelations@bluestarindia.com
Tel: +91 22 6665 4000

Date May 6, 2026 :
Place : Mumbai

Annexure to the Notice of the 78th Annual General Meeting of the Company

Profile of Director seeking re-appointment at the 78th Annual General Meeting

Name	**Rajiv R Lulla**
Age	58 Years
Director Identification Number (DIN)	06384402
Date of first Appointment	01/12/2016
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	Rajiv R 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, an independent strategic and financial advisory firm. He brings over 30 years of experience as a strategic advisor, investment banker, and corporate finance professional, specialising in mergers and acquisitions, capital raising, and corporate advisory. He has successfully completed transactions with a combined value exceeding $220 billion across a broad range of sectors including industrials, infrastructure, transport, telecommunications, and business services. Over the course of his career, he has held senior global leadership positions at Merrill Lynch, Crédit Agricole Group, and Deutsche Bank, with postings in New York, London, Paris, and Hong Kong. In addition to his leadership roles in global investment banking, he advises companies, investors, and stakeholders on strategic, financial, and corporate matters across multiple sectors. He joined the Board of Blue Star in December 2016.
Terms and conditions of re-appointment	Liable to retire by rotation
Remuneration last drawn (including sitting fees, if any)	Remuneration drawn was within the overall limits paid to the Non-Executive Directors in accordance with applicable provisions of the Companies Act, 2013 and as approved by the Members. The details of remuneration paid to Rajiv R Lulla for FY26 are stated in Corporate Governance Report which forms part of the Annual Report for FY26.
Remuneration proposed to be paid	Rajiv R Lulla is entitled to receive sitting fees for attending the meetings of the Board of Directors and Committees thereof, reimbursement of expenses incurred in connection with attending Board/Committee meetings, remuneration including commission as determined for each financial year by the Nomination and Remuneration Committee and the Board within the limits approved by the Members of the Company from time to time and as permitted by law.
Shareholding in the Company (including shareholding as a beneficial owner)	NIL
Relationship with other Director/Key Managerial Personnel of the Company	NIL
No. of Board Meetings attended during FY26	5/5
Directorships held in other companies	Deep Blue Advisors Private Limited Voltaire Advisory Services Private Limited Voltaire Securities Private Limited Swift Audio-Video Entertainments Private Limited
Membership / Chairmanship of Committees in other companies (including the Company)	Blue Star Limited • Audit Committee – Member • Risk Mangement Committee - Member
Listed entities from which the person has resigned in the past three years	NIL

INFORMATION AT GLANCE:

Sr. No.	Particulars	Details
1.	Day, Date and Time of AGM	Thursday, August 6, 2026 at 3:30 p.m. IST
2.	Mode	Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')
3.	Participation through VC/OAVM	Members can login from 3:00 p.m. IST on the date of the AGM at www.evoting.nsdl.com.
4.	Helpline Number for VC/OAVM Participation	NSDL Helpline No. 022 4886 7000
5.	Speaker Registration before AGM	Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at agmspeakers@bluestarindia.com by Friday, July 24, 2026 (5:00 pm IST).
6.	Dividend for FY26 recommended by the Board	Final dividend of ₹ 8.5 per equity share of face value of ₹ 2 each
7.	Record Date	Friday, July 17, 2026
8.	Dividend Payment Date	On or after August 6, 2026 only through electronic mode
9.	Cut-off date for e-voting	Thursday, July 30, 2026
10.	Remote e-voting start time and date	Saturday, August 1, 2026 (9:00 a.m. IST)
11.	Remote e-voting end time and date	Wednesday, August 5, 2026 (5:00 p.m. IST)
12.	Remote e-voting website of NSDL	**Shares held in Demat mode with NSDL:** 1. Shareholders registered for NSDL IDeAS facility: https://eservices.nsdl.com 2. Others: www.evoting.nsdl.com **Shares held in Demat mode with CDSL:** 1. Shareholders who have opted for Easi facility of CDSL: https://web.cdslindia.com/myeasitoken/home/login 2. Others: www.cdslindia.com **Logging in through Demat Account/website of Depositories/ Depository Participants:** Members can also login using the login credentials of their demat account/ through depositories/your DP registered with NSDL /CDSL for e-voting facility.
13.	Name, address and contact details of e-voting service provider and registrar and transfer agent	**Registrar and Transfer Agent** MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 1st Floor C Tower, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083. Tel No. 810 811 6767 Toll-free number: 1800 1020 878 Email: investor.helpdesk@in.mpms.mufg.com **E-voting Service Provider** National Securities Depositories Limited (NSDL) 301, 3rd Floor, Naman Chambers, G Block, Plot No - C-32, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Tel No: 022 4886 7000 Email: evoting@nsdl.com
14.	Email Registration and Contact Updation Process	**Demat Shareholders:** Contact respective Depository Participant **Physical Shareholders:** Please furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at https:// www.bluestarindia.com/investors/shareholderinformation and RTA's website at https://web.in.mpms.mufg.com/KYC-downloads.html along with the necessary attachments mentioned in the said Forms to MUFG Intime India Private Limited.

BLUE STAR LIMITED

ANNUAL REPORT

2025-26

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.

CONTENTS

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

BOARD OF DIRECTORS

Vir S Advani
Chairman & Managing Director

B Thiagarajan
Managing Director

Mohit Sud
Executive Director – Unitary Cooling Products Group
(with effect from April 1, 2026)

Non-Executive Directors
Rajiv R Lulla
Sunaina Murthy
Dinesh N Vaswani

Independent Directors
Anil Harish
G Murlidhar
Anita Ramachandran
Arvind K Singhal
(till May 30, 2026)
Vipin Sondhi
M S Unnikrishnan

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 and 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
Yes Bank Ltd
The South Indian Bank Ltd

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

INTERNAL AUDITORS

Grant Thornton Bharat LLP

REGISTRAR & TRANSFER AGENT

MUFG 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

Mohit Sud
Executive Director – Unitary Cooling Products Group
(with effect from April 1, 2026)

Sanjeev Agrawal
Group Chief Technology Officer
(with effect from August 1, 2025)

Manish Jha
Group President – Manufacturing
(with effect from November 5, 2025)

Arun Rajan
Group Chief Human Resources Officer

Nikhil Sohoni
Group Chief Financial Officer

V S Ashok
Executive Vice President,
Customer Experience & ESG

Wilson Jebaraj
Executive Vice President,
Electro-Mechanical Projects

Nithianand S
Executive Vice President,
Procurement & Supply Chain

Senthil Thangam
Executive Vice President,
Commercial Air Conditioning Products & Solutions,
International Business and Customer Service

Michael Angre
Vice President,
Customer Service, Central & Packaged Air Conditioning

Sushil Deshpande
Vice President,
Manufacturing, Dadra & Wada Plants

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

Vikas Jain
Vice President,
Corporate Commercial Operations

V Jayaprakash
Vice President,
Sales, Unitary Cooling Products

Suresh Kaushal
Vice President,
Quality

Sheetal M Kulkarni
Vice President,
R&D and Technology (Commercial Air
Conditioning & Refrigeration)

Rajesh Laddha
Vice President,
Manufacturing Engineering

Munish Malhotra
Vice President,
Procurement, Manufacturing Plants

Udit Pahwa
Chief Information Officer

Girish Parundekar
Vice President,
Manufacturing
(with effect from June 3, 2025)

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 & Service,
Cold Storages Division

Vijayaraghavan V
Vice President,
Electro-Mechanical Projects (Infrastructure)

SUBSIDIARY COMPANIES

Blue Star Engineering & Electronics Limited
Prem Kalliath
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

Bikash Chandra Gupta
Chief Financial Officer,
(with effect from October 28, 2025)

Blue Star Climatech Limited
Manish Jha
Chief Executive Officer,
(with effect from January 19, 2026)

Sivakumar Ramani
Vice President,
Commercial Operations, Manufacturing
and Chief Financial Officer

Blue Star International FZCO
Madhanagopal C
Chief Executive Officer

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

"As investments in manufacturing, industrial infrastructure, and data centres continue to accelerate, demand for specialised cooling solutions is expected to expand meaningfully, creating attractive opportunities across our projects and air conditioning solutions businesses."

VIR S ADVANI

Chairman & Managing Director

Dear Stakeholders,

I am pleased to present the Annual Report of Blue Star Limited for FY26.

Over the past few years, Blue Star has been on a robust growth trajectory while steadily strengthening its foundation. Sustained investments in research and development have broadened our product portfolio and built differentiated capabilities across our businesses. We have also expanded manufacturing capacity and operational infrastructure to support our next phase of growth. We are beginning to leverage data analytics, artificial intelligence, automation, and connected technologies to drive efficiency and agility across the organisation. At the heart of these efforts is our continued investment in ensuring that our workforce is equipped to navigate a dynamic business environment. These initiatives have reinforced our leadership position across businesses and enhanced the Company's ability to capitalise on emerging opportunities.

FY26, however, was marked by a series of external challenges that impacted businesses across many sectors. The year began with a delayed and subdued summer season, which adversely affected demand across key cooling categories. This was followed by global trade tensions which affected market sentiment and disrupted business planning across industries. The implementation of GST-related changes resulted in a temporary slowdown in sales in Q2FY26. As the year progressed, we faced unprecedented escalation in commodity prices and the depreciation of the Indian Rupee. The supply chain disruptions and inflation were further exacerbated by the West Asia crisis in February 2026.

Despite these headwinds, our diversified portfolio, strong market position, disciplined execution, and prudent financial management enabled us to navigate the environment while remaining focused on our strategic priorities. The foundation that we have built over the years continues not only to provide resilience, but also to support future growth investments. Supported by these strengths, we continue our journey towards transforming Blue Star into a ₹20000 crore enterprise in the near future.

FINANCIAL PERFORMANCE

In an environment marked by demand volatility and cost pressures, financial discipline remained a key priority.

The Company reported revenue from operations of ₹12401.99 crores for FY26, representing a growth of 3.6% over the previous year. Operating profit increased by 6.2% to ₹930.41 crores, while operating margin improved to 7.5% from 7.3% in FY25, mainly owing to the Company's focus on cost management. Our carried-forward order book stood at a record ₹6923.00 crores as of March 31, 2026, providing greater visibility across key businesses. Capital employed increased to ₹3258.41 crores from ₹2427.28 crores in FY25. Profit Before Tax (before exceptional items) stood at ₹741.94 crores in FY26 compared to ₹772.42 crores in FY25. During the year, the Company recognised a non-recurring exceptional item relating to the implementation of the new Labour Codes, as required by the ICAI Guidance Note. Post adjustment of the exceptional item, Net profit after tax for the year stood at ₹527.33 crores. The Company's financial position remained healthy, and the Board of Directors has recommended a dividend of ₹8.50 per equity share for FY26.

BUSINESS HIGHLIGHTS

The Electro-Mechanical Projects business delivered robust performance, supported by demand from manufacturing, industrial infrastructure, and data centre projects. The Commercial Air Conditioning business maintained steady progress across key segments, supported by demand from healthcare, hospitality, education, and industrial applications. Custom Design and Manufacturing sales of heat pumps have commenced in North America and Europe and the outlook is positive for this new business. The Middle East business was directly impacted by the West Asia crisis and it is likely to take some time for it to recover.

The Room Air Conditioners business faced a challenging year, impacted by an early monsoon, a mild summer, and a temporary slowdown in demand following the GST rationalisation announcement. Despite these headwinds, demand recovered in the fourth quarter, supported by channel stocking ahead of the summer season and healthy primary offtake across regions. The Company also launched a comprehensive new range of Room ACs in Q4FY26, complying with the new BEE norms. Cost rationalisation measures taken throughout the year and deferment of certain discretionary costs helped in alleviating the adverse impact on profitability. The Commercial Refrigeration business was impacted due to the weather and faced margin pressures during the year owing to rising input costs and competitive market dynamics.

The Professional Electronics and Industrial Systems business delivered a mixed performance during the year. The Medtech Solutions business was impacted by regulatory uncertainty, while Industrial Solutions recorded strong growth, driven by demand from the automotive and steel sectors. The Data Security Solutions business remained stable.

THE WAY FORWARD

FY27 is likely to present its share of challenges amidst persistent uncertainties. Ongoing cost pressures, currency depreciation, and subdued market sentiment arising from geopolitical developments in West Asia may continue to weigh on the operating environment. While these factors are expected to create short-term constraints, our solid fundamentals and operational agility position us well to navigate the uncertainties ahead. One of the Company's key strengths is its diversified portfolio across consumer, commercial, and international operations. This diversity provides multiple avenues for growth and enables us to respond effectively to evolving market conditions.

At the same time, the long-term outlook for the country remains compelling. India is one of the fastest-growing major economies in the world, driven by favourable demographics, rising incomes, rapid urbanisation, expanding infrastructure investment, and evolving consumer aspirations. These factors are expected to drive cooling demand well ahead of that seen in many developed markets over the coming decade.

The Room Air Conditioner industry represents a significant growth opportunity for Blue Star. Backed by a strengthened product portfolio, wider distribution reach, and enhanced customer engagement, we remain firmly committed to our aspiration of achieving a 15% market share. Underlying demand conditions also remain favourable in commercial refrigeration, supported by the expansion of organised retail, hospitality, restaurants and cafes, quick commerce, food processing, healthcare, and cold-chain infrastructure.

The convergence of digitalisation and cooling infrastructure is also opening up significant opportunities for the HVAC&R industry. As investments in manufacturing, industrial infrastructure, and data centres continue to accelerate, demand for specialised cooling solutions is expected to expand meaningfully, creating attractive opportunities across our projects and air conditioning solutions businesses.

International markets offer an important avenue for Blue Star's future growth. During the year, we successfully developed and delivered advanced air-to-air and air-to-water heat pump solutions targeted at North American and European markets. These offerings leverage our engineering and manufacturing capabilities and address the growing global shift towards energy-efficient heating and cooling technologies. With India signing Free Trade and Bilateral Trade Agreements with multiple countries, we see meaningful potential for this business to scale, with an opportunity to generate additional export revenue of over USD 100 million per annum from FY28.

IN CONCLUSION

As we look ahead, I am confident of the prospects of Blue Star not only as a leading HVAC&R player in India and the Middle East, but also as a significant Custom Design and Manufacturing player for a few leading brands in the US and Europe. I would like to express my sincere gratitude to our Board members, employees, leadership team, channel partners, customers, suppliers, and shareholders for their unwavering support and belief in the Company.

With a clear strategic direction, a consistent focus on execution, and confidence in the opportunities that lie ahead, we are well positioned to continue the Company's growth journey and create lasting value for all stakeholders.

Thank you for your continued support.

Warm regards,

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, revenues multiplied more than 400-fold, and the Company established itself as a recognised leader in the air conditioning and commercial refrigeration industry in India.

He retired from the Board in November 2016. In recognition of his exceptional leadership and legacy at Blue Star, he was appointed Chairman Emeritus. He continues to be an invitee at Board Meetings and remains deeply engaged with the Company as an advisor to both the Board and the 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 then founded Blue Star Design and Engineering Limited in 2003, serving as its 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, he was appointed as the Managing Director of the Company, 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 at Blue Star.

In his enhanced role, Mr Advani serves as the key interface between the Board and the Executive Management. He directly oversees various businesses and functions, including Professional Electronics & Industrial Systems business, 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 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 over 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 led Products and Service Businesses and many Corporate functions before being elevated to the Board in 2013. He was appointed as Joint Managing Director in 2016 before taking charge as Managing Director in April 2019.

Mr Thiagarajan is a member of the Board of National Skill Development Corporation. He plays an active role in various industry forums. He is currently a member of the CII National Council and chairs the CII Skills Steering Council and CII National Committee on CSR. He also Co-chairs the CII National Committee on Technology, R&D, and Innovation.

In the past, he has served as the National Chairman of the Indian Green Building Council, Chairman of CII Green Cooling Council, President of the Refrigeration and Air Conditioning Manufacturers Association (RAMA), and Chairman of both CII Western Region and CII Maharashtra State.

Mohit Sud
Executive Director,
Unitary Cooling Products Group

Mohit Sud is an accomplished business leader with over two decades of experience in sales and marketing across India. At Blue Star, he holds end-to-end responsibility for the Unitary Cooling Products Group, which includes room air conditioners and commercial refrigeration products such as deep freezers, water coolers, visi coolers, and modular cold rooms. His responsibilities span the entire value chain, including sales, marketing, service, R&D, manufacturing, and supply chain.

A mechanical engineer with an MBA from XLRI, Jamshedpur, Mr Sud brings extensive experience in sales, marketing, distribution, and business strategy. Prior to joining Blue Star, he spent over two decades at Hindustan Unilever, where he held multiple leadership roles across sales and marketing, managing diverse product categories including home care, beauty and wellbeing, across multiple geographies in India. In his last assignment as Vice President, he led premium retail distribution for the Beauty & Wellbeing business. He joined the Blue Star Board in April 2026.

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 Oberoi Realty Limited and Emaar India Limited. Beyond his corporate roles, Mr Harish is actively involved with various educational and charitable trusts and is Provost of HSNC University.

Rajiv R Lulla
Non-Executive Director

Rajiv R 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, an independent strategic and financial advisory firm.

Mr Lulla brings over 30 years of experience as a strategic advisor, investment banker, and corporate finance professional, specialising in mergers and acquisitions, capital raising, and corporate advisory. He has successfully completed transactions with a combined value exceeding $220 billion across a broad range of sectors including industrials, infrastructure, transport, telecommunications, and business services.

Over the course of his career, Mr Lulla has held senior global leadership positions at Merrill Lynch, Crédit Agricole Group, and Deutsche Bank, with postings in New York, London, Paris, and Hong Kong. In addition to his leadership roles in global investment banking, he advises companies, investors, and stakeholders on strategic, financial, and corporate matters across multiple sectors.

Mr Lulla joined the Board of Blue Star in December 2016.

G Murlidhar
Independent Director

G Murlidhar, former MD of Kotak Mahindra Life Insurance, is a founding member who has been instrumental in shaping its growth journey. Over three decades, he has held leadership roles including Chief Financial Officer and Chief Operating Officer, driving operational excellence, governance, and strategic expansion.

Under his stewardship, Kotak Life built a robust distribution network and service backbone that positioned it strongly in a competitive market.

A Chartered Accountant, Cost & Management Accountant and Company Secretary, Mr Murlidhar has also completed the Advanced Management Program at Harvard Business School. His career spans finance, HR, IT, marketing, and consumer distribution, with experience in public issues and open offers across BFSI, services, and manufacturing. He brings a unique blend of technical expertise, strategic vision, and people-centric leadership to every role he undertakes. 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 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. Ms Murthy joined the Blue Star Board in April 2019.

Anita Ramachandran
Independent Director

Anita Ramachandran holds a Master's degree in Management Studies from Jamnalal Bajaj Institute of Management. She is a renowned Human Resource professional with deep knowledge and experience of about 40 years as a management consultant. She is also one of the first generation of women professionals to become an entrepreneur and run a highly successful HR consulting and services organisation.

Ms Ramachandran began her career with AF Ferguson & Co. [AFF] (the KPMG network company in India then) in 1976 as the first woman consultant of the firm. In her 19-year stint with AFF, she worked in various parts of the country and across a wide range of functional areas. She was a Director at the time of leaving the firm.

Ms Ramachandran founded Cerebrus Consultants in 1995 to focus on HR advisory services, including organisation transformation. Her reputation and innovative work helped her build Cerebrus into a firm with national presence, with the firm having worked with over 1000 companies in South Asia. Ms Ramachandran is known as an authority in reward management in the country. In recent years, she has been involved with several large organisations in South Asia for organisation transformation and talent management issues. Her wide general management consulting experience and insights on HR have enabled her to be a strategic advisor to many family groups. She also works with several PE firms and start-ups to mentor them through their growth journey. Ms Ramachandran is now additionally an Advisor with Mercer Consulting after the merger of Cerebrus with Mercer Consulting. Ms Ramachandran has been an Independent Director on boards of several large companies for over 20 years. She supports many organisations in the social sector through pro-bono professional work and remains deeply committed to work with women. She was also former Chairperson of TiE Women.

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 recognises him as a distinguished alumnus, and an MBA in Finance and Marketing from UCLA, USA. He is the Founder and Chairman of The Knowledge Company, one of India's leading management consulting firms focusing on all major private consumption sectors including consumer products and retail, apparel and other lifestyle, and food and food services.

He is also currently an Independent Director of Metro Brands Limited and Greaves Electric Mobility Private Limited. 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 Indian 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.

M S Unnikrishnan
Independent Director

M S Unnikrishnan has over four decades of experience and is currently the Head and CEO of the IITB–Monash Research Academy, a joint venture between the Indian Institute of Technology, Bombay, and Monash University, Australia. He is a graduate in Mechanical Engineering from Visvesvaraya National Institute of Technology, Nagpur, and has also completed the Advanced Management Program from Harvard Business School.

Prior to this, he served as the Managing Director of the Thermax Group, an Indian engineering major focused on energy and environmental solutions, with a manufacturing footprint spread across multiple locations in India and globally. Mr Unnikrishnan serves on the boards of KEC International Limited, Kirloskar Brothers Limited, Greaves Cotton Limited, and Livguard Energy Technologies Private Limited. He also serves as a trustee of The Akshaya Patra Foundation and Jehangir Hospital in Pune. He joined the Board of Blue Star in January 2026.

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.

INTEGRATED REPORT

Built on a foundation of market leadership, operational excellence, customer-centricity, innovation, and responsible governance, Blue Star's integrated approach aligns strategy, business performance, sustainability and stakeholder relationships to sustain its growth momentum. This section illustrates how these interconnected elements strengthen the Company's resilience, enhance its future readiness, and create long-term value for all stakeholders.

COMPANY OVERVIEW

Backed by a legacy of engineering excellence and customer trust, Blue Star has established a strong presence across residential, commercial, and infrastructure segments. With over eight decades of expertise and an extensive market footprint, the Company remains a preferred choice in the HVAC&R industry, delivering reliable and technologically advanced solutions across India and global markets.

Exterior view of the manufacturing facility at Wada, Maharashtra

For over eight decades, Blue Star has been a trusted name in India's air conditioning and commercial refrigeration industry. Over the years, the Company has expanded its expertise across Mechanical, Electrical, and Plumbing (MEP) and firefighting solutions, building a strong reputation for engineering excellence and reliability.

Guided by its core values of 'Trust' and 'Excellence', Blue Star remains focused on innovation, quality, and operational excellence while addressing evolving market requirements and customer expectations.

COOLING EXPERTISE

Blue Star has established itself as a leading player in the cooling solutions industry, backed by deep domain expertise and a skilled workforce. The Company offers a wide portfolio of advanced air conditioning and refrigeration solutions across residential, commercial, and industrial segments. In the residential air conditioners segment, Blue Star has built a significant market presence following its entry in 2011.

PROJECT EXECUTION AND MEP SERVICES

Blue Star's Electro-Mechanical Projects business delivers integrated MEP solutions for large commercial, infrastructure, and industrial projects across India. The Company's expertise in executing complex HVAC&R projects has enabled it to develop strong project management capabilities, ensuring timely delivery, operational efficiency, and high execution standards. Its consistent performance and dependable delivery continue to strengthen customer confidence across sectors.

INTEGRATED BUSINESS MODEL WITH END-TO-END CAPABILITIES

Blue Star operates through a well-integrated business model that includes manufacturing, EPC services, and comprehensive after-sales support. This integrated approach enables the Company to provide comprehensive solutions across commercial buildings, industries, and infrastructure projects. It also enhances operational efficiency and allows the Company to respond effectively to varied customer requirements and project timelines.

AFTER-SALES SERVICE EXCELLENCE

Blue Star has one of the largest service networks in India's HVAC&R industry, supported by its own service infrastructure as well as an extensive network of service partners. In addition to regular servicing, the Company offers retrofit solutions, revamps, duct cleaning, and operational support services. By using digital tools such as remote monitoring systems, mobile applications, and web-based platforms, Blue Star ensures efficient and timely customer support across locations.

One of the largest service networks in India's HVAC&R industry

MARKET REACH AND CUSTOMER PROXIMITY

With a strong network of channel partners across India, Blue Star maintains a wide market presence and close customer engagement. Its extensive reach enables the Company to provide easy access to products, services, and support across regions, ensuring timely assistance and consistent customer engagement.

MANUFACTURING EXCELLENCE AND INNOVATION

Blue Star continues to strengthen its manufacturing capabilities through investments in advanced technologies, automation, and modern production systems. The Company and its subsidiaries currently operate seven manufacturing facilities across India, located in Ahmedabad, Dadra, Himachal Pradesh, Sri City (through its wholly-owned subsidiary, Blue Star Climatech Limited), and Wada. The expansion of manufacturing facilities at Sri City and Wada has significantly enhanced production capacity, supporting the Company's future growth plans.

Seven manufacturing facilities across India

GLOBAL FOOTPRINT

Blue Star exports its HVAC&R products and solutions to over 20 countries across the Middle East, Africa, SAARC, and ASEAN regions, where its products are designed to perform effectively even in demanding climatic conditions. The Company has also strengthened its international presence through joint ventures in Qatar and Malaysia for executing MEP projects across residential, commercial, and infrastructure sectors. In addition, Blue Star has wholly-owned subsidiaries in the USA, Europe, and Japan, supporting its long-term global strategy.

Exporting HVAC&R products and solutions to over 20 countries

OTHER BUSINESSES

Through its wholly-owned subsidiary, Blue Star Engineering & Electronics Limited (Blue Star E&E), the Company is engaged in the marketing, design, and maintenance of specialised electronic equipment and industrial systems. The subsidiary also provides refurbishment solutions for medical diagnostic equipment. Over the years, Blue Star E&E has established a strong presence in delivering advanced technology products and turnkey engineering solutions to a wide range of industries across India.

BLUE STAR

CREDO

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

BUSINESS SEGMENTS

Blue Star's diversified business portfolio combines advanced air conditioning and refrigeration solutions with specialised technology offerings. Through its comprehensive range of products, solutions, and services, the Company addresses various customer requirements across multiple sectors.

Precision sheet metal processing at Dadra Plant

ELECTRO-MECHANICAL PROJECTS AND COMMERCIAL AIR CONDITIONING SYSTEMS

The segment comprises the design, installation, and maintenance of central air conditioning systems, including packaged and ducted systems, Variable Refrigerant Flow (VRF) units, scroll chillers, screw chillers, centrifugal chillers, and data centre chillers. It also provides turnkey contracting services across Mechanical, Electrical and Plumbing (MEP) and firefighting domains across buildings, factories, data centres, metro rail and substations. In addition, the division offers value-added services such as retrofitting, system modernisation, and ongoing operational support to enhance the efficiency and performance of electro-mechanical systems.

UNITARY PRODUCTS

This segment focuses on the development, manufacturing, and distribution of a wide portfolio of modern, energy-efficient room air conditioners designed for residential and commercial applications. It also encompasses an extensive range of commercial refrigeration solutions, along with air coolers.

PROFESSIONAL ELECTRONICS AND INDUSTRIAL SYSTEMS

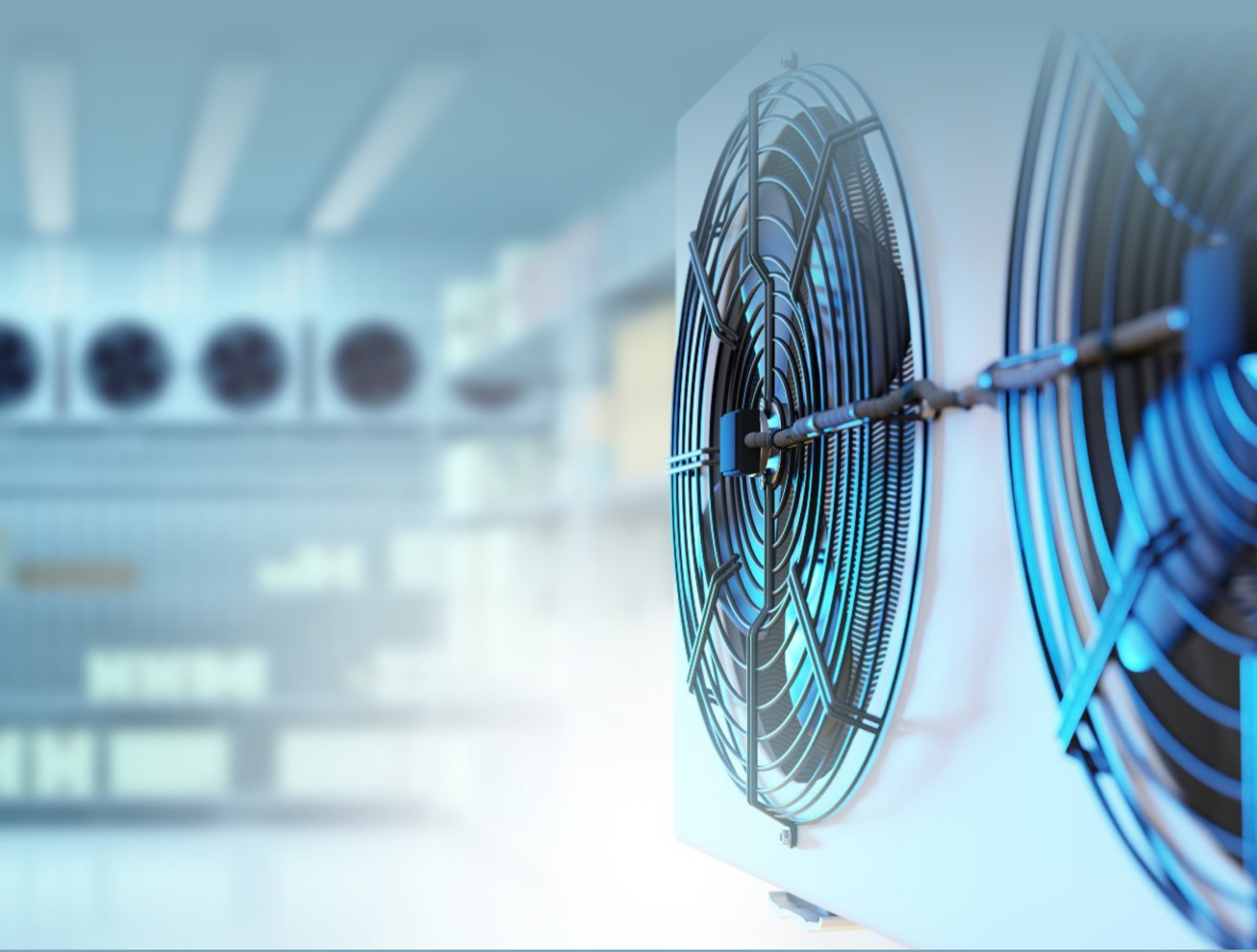
For over seventy years, Blue Star has established a strong presence as the exclusive distributor in India for a wide range of internationally acclaimed manufacturers and has evolved into a system integrator and value-added reseller across MedTech, Data Security, and Industrial Solutions. This segment is managed by Blue Star Engineering & Electronics Limited, a wholly-owned subsidiary of the Company.

The subsidiary also operates a medical diagnostic equipment facility at Bhiwandi, Maharashtra, which houses and supports a broad range of diagnostic imaging systems and spares, ensuring readiness, reliability, and efficient service support. In addition, Blue Star operates Customer Experience Centres in Pune and Chennai, focused on non-destructive testing, material testing and inspection solutions, along with customer demonstrations, training, and application support.

Tandem H-Frame press machines in the fabrication shop at Sri City Plant

INDUSTRY STRUCTURES AND SEGMENTS

India's cooling and refrigeration industries remain on a strong long-term growth path, supported by favourable trends and expanding adoption. Blue Star remains well positioned to benefit from these favourable trends by sustaining market share, reinforcing category leadership, and investing in capabilities to capture emerging opportunities across both consumer and commercial segments.



AIR CONDITIONING

The demand for room air conditioners continues to grow steadily, driven by rising summer temperatures across India and increasing disposable incomes amongst the expanding middle class. This growth is further supported by increasing adoption in Tier 3, 4, and 5 markets, replacement purchases, and customers purchasing ACs for additional rooms. Key drivers such as rapid expansion in the housing sector, accelerated adoption of renewable energy, and strong rural economic growth are also shaping the industry's trajectory. Easier access to brand-led consumer financing is further enabling faster adoption, especially amongst first-time buyers. Room air conditioners are increasingly emerging as an essential household appliance after televisions, refrigerators, and washing machines. The Company is making sustained investments in R&D, manufacturing, and supply chain capabilities to capitalise on these industry trends.

In FY26, the industry was significantly impacted by unseasonal rains, as a large portion of demand comes from first-time buyers who typically purchase ACs during periods of intense summer heat. However, room AC penetration in India currently stands at around 10%, indicating a sizeable long-term growth opportunity, with at least 150 million households expected to purchase ACs in the future. This growth potential is reflected in projections that the annual market size will reach 30 million units by FY30. The overall industry was valued at ₹35500 crores in FY26, of which central air conditioning systems, including central plants, packaged and ducted systems, and Variable Refrigerant Flow (VRF) systems, accounted for ₹5500 crores, while room air conditioners contributed ₹30000 crores. During the year under review, the commercial air conditioning market registered a growth of 9%. Key growth drivers included the industrial, hospitality, healthcare, government, and infrastructure segments.

Annual room AC market projected to reach 30 million units by FY30

COMMERCIAL REFRIGERATION

Commercial refrigeration includes deep freezers, storage water coolers, bottled water dispensers, visi coolers and freezers, cold rooms, supermarket refrigeration systems, kitchen refrigeration equipment, and healthcare refrigeration products. Together, these solutions cater to a wide range of sectors, including horticulture, floriculture, banana ripening, dairy, ice cream, poultry, processed foods, quick service restaurants, HoReCa, sericulture, marine, pharmaceuticals, and healthcare.

The industry is witnessing strong structural momentum, driven by growth in out-of-home consumption, the expansion of food retail and quick commerce, and the increasing need for reliable temperature-controlled storage and logistics solutions. Rising disposable incomes, higher consumption of fresh and frozen foods, and the rapid expansion of modern trade and convenience store formats are further supporting segment growth.

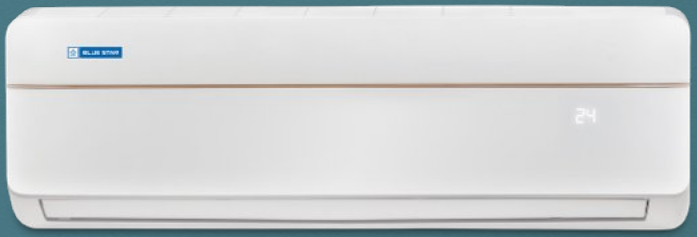
WIDE RANGE OF PRODUCTS

Inverter AC

Window AC

Air Cooler

Fixed Speed Split AC



Cold Room

Storage Water Cooler

Deep Freezer

Visi Cooler

Bottled Water Dispenser

Mini Bar

Reach-in Chiller & Freezer

Pastry Showcase

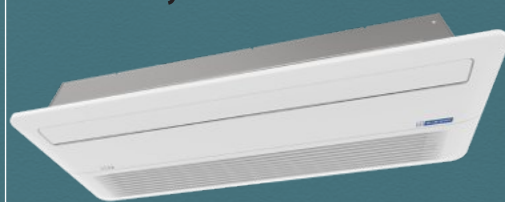
VRF SYSTEMS

Indoor units

Concealed Split AC

Four-way Cassette AC

One-way Cassette AC



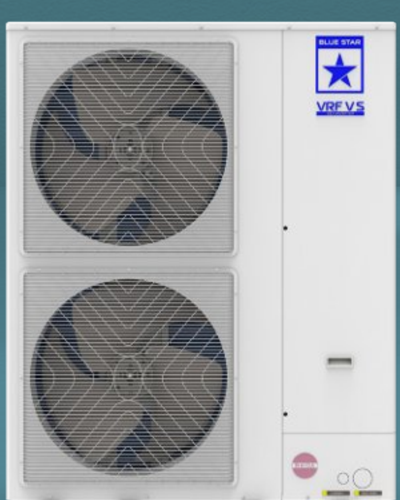
Hi-wall AC

Ductable AC

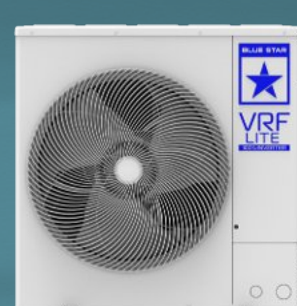
Outdoor units

VRF V Plus

VRF Side Discharge

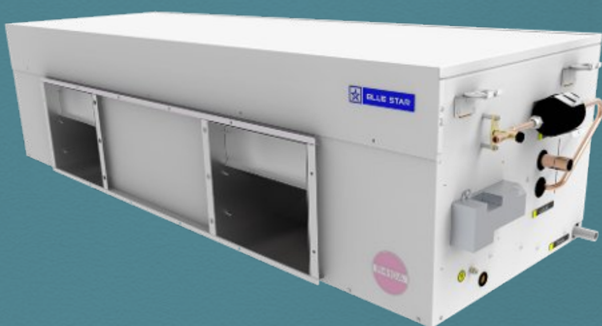


VRF Lite

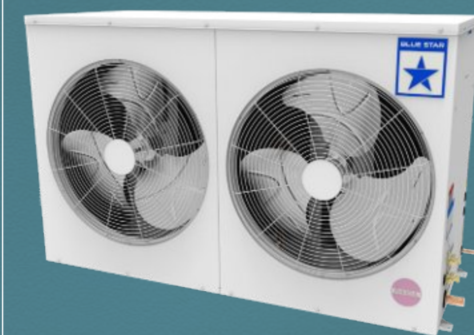


DUCTED ACs AND PACKAGED SYSTEMS

Air Cooled Ducted Split Indoor Unit



Air Cooled Ducted Split Outdoor Unit

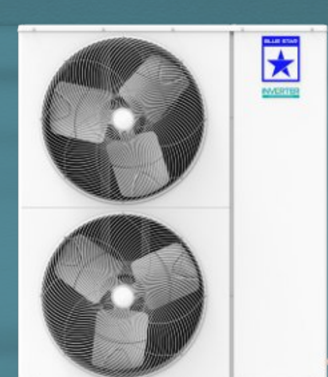


Water Cooled Mini Series Indoor Unit

Water Cooled Mini Series Outdoor Unit

Floor Mounted Packaged Indoor Unit

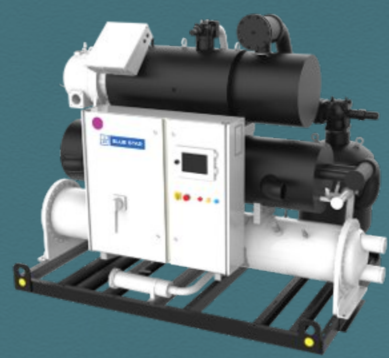
Inverter Packaged Outdoor Unit



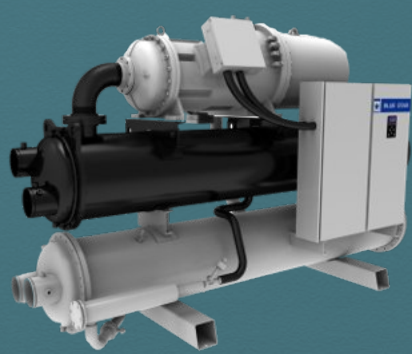
CHILLERS

Centrifugal Chiller

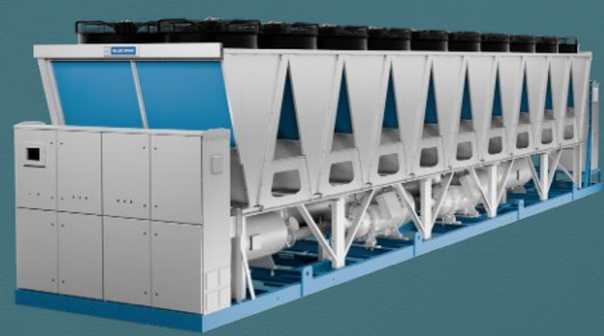
Brine Chiller



Water Cooled Screw Chiller



Data Centre Chiller



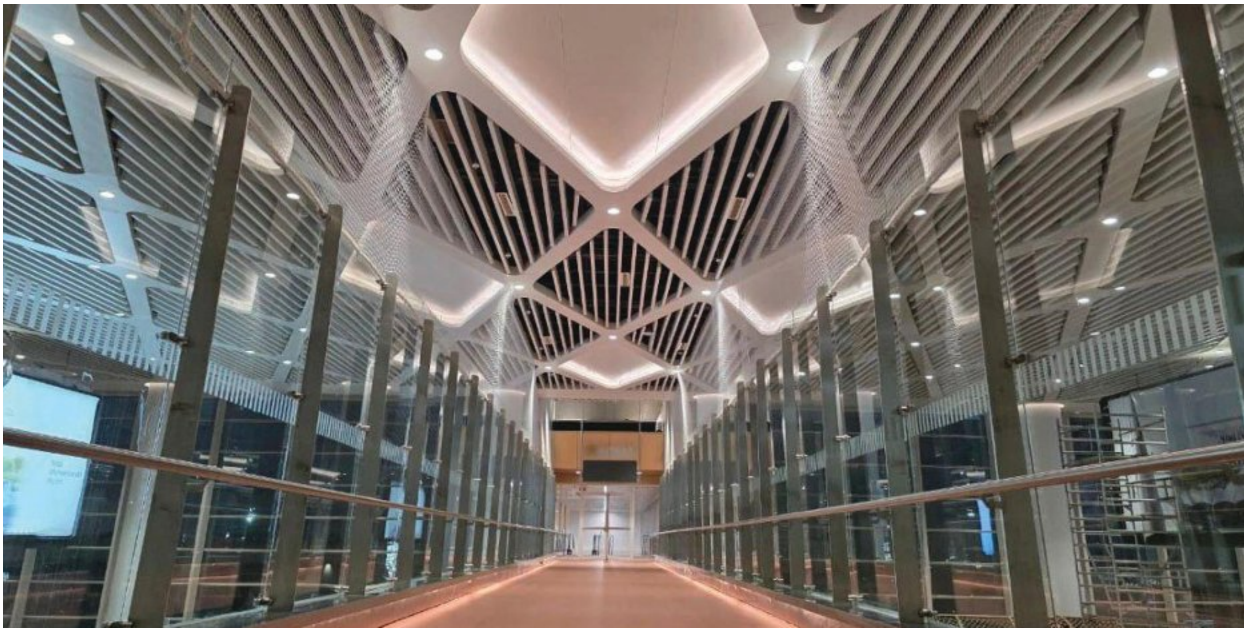
Air Cooled Inverter Scroll Chiller

Water Cooled Oil Free Chiller

PRESTIGIOUS INSTALLATIONS

HVAC and process piping works at India's first commercial semiconductor assembly and test facility, Micron, Sanand

Facilitating efficient operations with MEP works for Trimetro Factory, Bhubaneswar, Odisha



Enhancing passenger comfort through HVAC works at Noida International Airport

Enabling efficient living spaces with MEP works for Garden City Verde, Bengaluru

Advancing digital infrastructure through CSA & MEP works for the 24 MW STT Data Centre, Pune

Powering India's future through one of the largest air-insulated substation projects at the 765 kV/400 kV/220 kV PGCIL Substation in Fatehgarh, Rajasthan

Enabling faster rail connectivity through Sub-Sectioning Posts (SSPs) for the 2×25 kV system on the Mumbai–Delhi route

Water cooled VFD screw chillers and centrifugal chillers works at Yashoda Medicity, Ghaziabad

Screw chillers at Chennai Metro Rail Corporation

VRF and ducted systems at Velammal Global School, Madurai

VRF and ducted systems at Apollo Hospital, Hyderabad

Screw chillers at Sattva Horizon, Bengaluru

EXPANDING GLOBAL PRESENCE

Blue Star expanded its international footprint by strengthening market access, enhancing customer engagement, and advancing sustainable HVAC&R solutions across key global regions. Supported by investments in innovation, manufacturing, and channel partnerships, the Company remains focused on delivering future-ready and energy-efficient solutions aligned with evolving international market needs.

Showcasing Blue Star's innovation at MCE 2026, Milan

INTERNATIONAL BUSINESS

With a focused strategy to strengthen its international footprint, Blue Star expanded its presence across key overseas markets through its wholly-owned subsidiaries.

Operations through Blue Star North America Inc., Blue Star Europe B.V., and Blue Star International FZCO expanded the Company's market reach across North America, Europe and the United Kingdom, the Middle East, Africa, SAARC, and ASEAN.

These operations follow distinct business models tailored to the requirements of their respective markets. While the North America and Europe businesses focus on innovation-led growth through application-specific HVAC&R solutions, the Middle East, Africa, SAARC, and ASEAN businesses follow a distribution-led model, strengthening market access through channel partnerships.

These developments reflect the Company's long-term vision of building a strong international business aligned with the growing demand for energy-efficient and low-emission HVAC&R technologies.

NORTH AMERICA AND EUROPE

In North America and Europe, Blue Star continued to expand its presence through a customer-centric Custom Design Manufacturing (CDM) approach focused on delivering application-specific HVAC&R solutions. Moving beyond traditional Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM) models centred around standard catalogue products, the Company collaborates closely with customers to develop solutions tailored to evolving regional requirements. This collaborative approach enables faster product adaptation, supports design-led differentiation, and addresses changing customer expectations linked to decarbonisation, refrigerant transition, and energy efficiency. The approach also shortens product development timelines and accelerates market readiness in the rapidly evolving HVAC&R segment.

Trusted in over 20 countries

Key Offerings

The product portfolio for North America and Europe includes:

- Residential Air-to-Water Heat Pumps (monobloc and split configurations)
- Refrigeration Condensing Units
- Air-to-Air Heat Pumps including side discharge outdoor units, ducted, and ductless systems
- Commercial Heat Pumps and Modular Chillers

These offerings are designed to integrate seamlessly with customer systems while supporting energy efficiency, operational reliability, and sustainability requirements across diverse applications.

Commitment to Technological Excellence and Innovation

Blue Star's international growth across North America and Europe is supported by sustained investments in research and development, backed by seven advanced manufacturing facilities and three innovation centres spanning over 1.2 million sq. ft. This integrated manufacturing and engineering ecosystem enables the Company to deliver precision-engineered, high-quality HVAC&R solutions aligned with its right-first-time philosophy. The infrastructure also strengthens the

Company's ability to address evolving efficiency standards, refrigerant transition requirements, and application-specific market needs through technologically advanced and reliable solutions.

Sustainability and Product Innovation

Sustainability and energy efficiency remain central to Blue Star's product development strategy. The Company focuses on delivering environmentally responsible HVAC&R solutions that support global decarbonisation initiatives, electrification trends, and evolving energy-efficiency standards. With a strong emphasis on heat pump technologies and low-GWP refrigerants, Blue Star offers solutions that address sustainable heating and cooling requirements across international markets. Backed by over eight decades of industry expertise, the Company works closely with customers to meet evolving application needs, delivering future-ready solutions that respond to changing market demands and regulatory landscapes.

Brand Building and Customer Engagement

Aligned with its international growth strategy, Blue Star enhanced its brand visibility across Europe through participation in leading HVAC&R industry platforms. During the year, the Company participated as a Gold Sponsor at the EHPA Heat Pump Forum 2025 in Brussels and exhibited at Mostra Convegno Expocomfort (MCE) in Milan. These engagements enabled the Company to strengthen relationships with customers, partners, and industry stakeholders while enhancing visibility across European markets. Blue Star also showcased its capabilities in Custom Design Manufacturing, energy-efficient HVAC&R technologies, and low-GWP refrigerant solutions, supporting business development opportunities across the region.

Developing environmentally responsible HVAC&R solutions aligned with global decarbonisation initiatives

Future Outlook

Global HVAC&R markets across North America and Europe are witnessing a growing transition towards energy-efficient solutions, sustainable heating technologies, and low-GWP refrigerants. Increasing regulatory emphasis on decarbonisation and energy performance is driving demand for environmentally responsible and application-specific HVAC&R systems. With its innovation-led approach, integrated manufacturing infrastructure, and strong alignment with evolving market requirements, the Company is well-positioned to strengthen its presence across North America, Europe, and the United Kingdom.

MIDDLE EAST, AFRICA, SAARC, AND ASEAN

Blue Star International FZCO, headquartered in the UAE, continued to strengthen its presence across the Middle East, Africa, SAARC, and ASEAN regions through the ongoing expansion of its distribution and dealer network. Blue Star International FZCO was impacted by the West Asia crisis. However, its strong distribution network and continued customer engagement will help reinforce its position in the region.

The business focused on broadening market coverage across residential, commercial, industrial, and infrastructure sectors while strengthening channel partnerships in strategically important markets. During the year, the Company further extended its footprint across Gulf Cooperation Council (GCC) countries and select African markets, including Ethiopia, Botswana, Kenya, and Uganda, by strengthening distributor and dealer networks, entering new geographies through channel partnerships, and enhancing overall market coverage. These initiatives improved regional market access and customer engagement capabilities across key international markets.

Key Offerings

The product portfolio for the Middle East, Africa, SAARC, and ASEAN includes:

- Chillers designed for Middle East applications
- Variable Refrigerant Flow (VRF) Systems, including commercial VRF and specialised application-based products

These offerings are designed to support residential, commercial, industrial, healthcare, hospitality, and infrastructure applications while delivering energy efficiency, operational reliability, and application-specific performance.

Strengthening Channel Partnerships

During the year, the business deepened engagement with channel partners and distributors across key markets while continuing to expand its distribution network in both existing and new geographies. The Company also increased its focus on high-growth sectors such as healthcare, hospitality, and commercial applications through its channel partner ecosystem. Improved supply chain coordination further reinforced distributor support and enhanced responsiveness to market demand.

Brand Building and Customer Engagement

Aligned with its market expansion strategy, Blue Star International FZCO enhanced its regional brand visibility through focused digital marketing and customer engagement initiatives. During the year, the business executed targeted digital campaigns across Google Ads and social media platforms including Meta, to increase brand awareness, engage customers, and generate qualified leads across commercial and industrial HVAC&R applications. The Company also strengthened product promotion initiatives and customer engagement programmes to support its channel partners across the region. During the year, the Company received the Climate Control Award for Best Manufacturer of Chillers and an honourable mention for its Variable Refrigerant Flow (VRF) systems, further reinforcing its growing recognition within the regional HVAC&R industry.

Value Creation through Channel-led Growth

The business continued to strengthen Blue Star's international portfolio by expanding its channel network, improving market access, fostering stronger customer relationships through its partner ecosystem, and delivering reliable, energy-efficient cooling solutions across key international markets.

Future Outlook

The Middle East, Africa, SAARC, and ASEAN continue to present significant opportunities across the residential, commercial, industrial, and infrastructure segments. With its expanding distribution network, strengthened channel partnerships, growing regional presence, and focus on customer engagement, Blue Star International FZCO is well-positioned to increase market penetration and further strengthen its contribution to the Company's international business.

ENHANCED VALUE CREATION

FINANCIAL CAPITAL

- Maintained robust profitability
- Demonstrated strong liquidity and healthy balance sheet
- Practiced prudent capital deployment, enabling future growth

MANUFACTURED CAPITAL

- Strengthened manufacturing capabilities through automation, digitalisation, and smart manufacturing initiatives across plants
- Enhanced quality assurance through Built-In Quality (BIQ) implementation, advanced testing infrastructure, digital quality systems, and regulatory certifications
- Expanded production capacity and operational efficiency through process optimisation, layout improvements, and advanced manufacturing equipment
- Improved productivity through automation-led interventions, real-time production monitoring, and continuous improvement programmes
- Reinforced workplace safety through implementation of critical safety standards, advanced protection systems, and employee capability-building initiatives
- Accelerated sustainable manufacturing through renewable energy adoption, energy-efficient technologies, and resource optimisation measures

RELATIONSHIP CAPITAL

Nurtured and strengthened robust relationships with all stakeholders:

- Customers
- Employees
- Suppliers
- Channel partners
- Shareholders
- Bankers
- Debenture holders
- Other stakeholders

INTELLECTUAL CAPITAL

- Four state-of-the-art R&D centres at Thane, Bhiwandi, Wada, and Dadra
- 74 patent applications and 85 design registrations filed across the Company
- Focused on customer-centric and sustainable technologies
- Robust New Product Development (NPD) processes and NABL-accredited performance and reliability laboratories
- Expanded R&D ecosystem through engagement with various world-renowned universities, consultants, and start-ups
- Advanced capabilities in virtual simulation and electronics engineering

SOCIAL AND NATURAL CAPITAL

- CSR initiatives focused on skill development, education, health, hygiene, and wellness
- Capacity-building programmes for students, Farmer Producer Organisations (FPOs), youth, and women
- Contributed to rural water infrastructure development and decarbonisation research initiatives supporting Sustainable Development Goals
- Expanded renewable energy adoption through rooftop solar installations across manufacturing facilities and offices
- Advanced the Net Zero journey through energy-efficiency projects, carbon reduction initiatives, and low-carbon manufacturing practices
- Strengthened water conservation through reuse, rainwater harvesting, monitoring systems, and resource-efficiency programmes

HUMAN CAPITAL

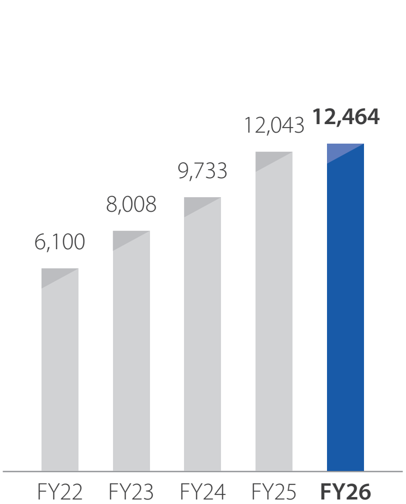
Key focus areas during the year to strengthen human capital included:

- Future-ready talent engine
- Enhanced leadership depth
- Capability-led transformation
- Inclusive growth momentum
- Enhanced employer value

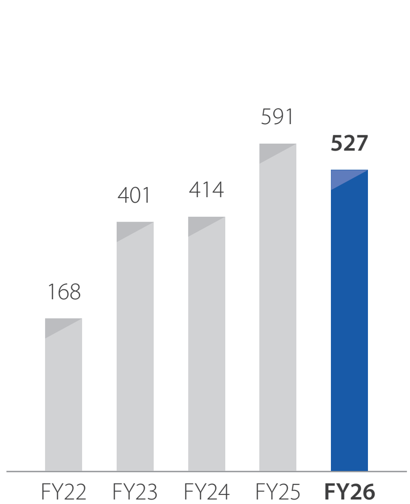
FINANCIAL CAPITAL

The Company concluded the fiscal year with steady performance, recording its highest-ever quarterly revenue in Q4FY26 and sustaining financial resilience and reinforcing its ability to support long-term strategic growth initiatives.

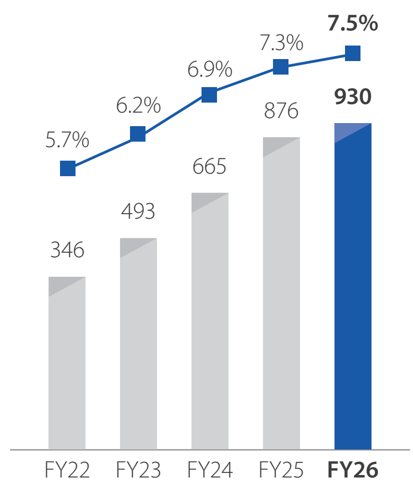
Total Income (₹ crores)



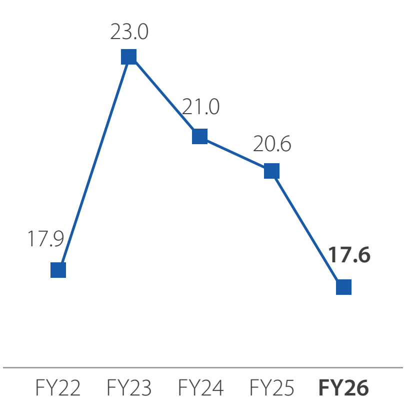
Profit After Tax (₹ crores)



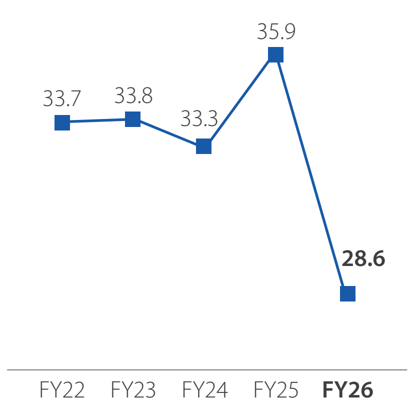
Operating Margin (₹ crores)/(%)



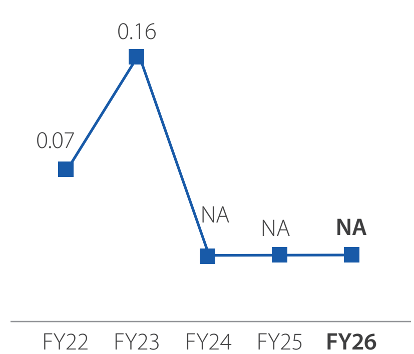
Return on Shareholders' Fund (%)



Return on Capital Employed (%)



Debt Equity Ratio - Net (%)



Notes: *The financial information is on a consolidated basis. Previous years' figures have been regrouped wherever necessary to make them comparable with current year numbers.*

MANUFACTURED CAPITAL

During FY26, Blue Star advanced its manufacturing capabilities through investments in technology, automation, quality systems, sustainability, and workforce development. These initiatives improved operational efficiency, enhanced product quality, and strengthened manufacturing resilience, supporting the Company's long-term growth ambitions.

Advanced testing line for room air conditioner outdoor units at Sri City Plant

DRIVING MANUFACTURING EXCELLENCE

During FY26, Blue Star strengthened its manufacturing operations through investments in advanced technologies, process improvements, quality systems, and infrastructure development. The Company also accelerated automation and digitalisation, expanded production capacity, introduced new products, and drove continuous improvement initiatives to enhance productivity, quality, and operational efficiency.

Quality remained a key focus across all manufacturing facilities. During the year, multiple plants successfully completed regulatory audits, renewed critical certifications, and secured new approvals that supported both domestic and international business growth. Investments in advanced testing laboratories, integrated quality systems, vision-based inspection technologies, and digital quality platforms further strengthened product reliability and process consistency.

Smart manufacturing initiatives gained momentum with the deployment of digital process audits, real-time production monitoring systems, IIoT-enabled solutions, and digital standard operating procedures (SOPs). These initiatives enhanced operational visibility, process control, and manufacturing agility while supporting higher productivity and customer satisfaction.

Sustainability is a key pillar of manufacturing excellence. Investments in renewable energy, energy-efficient equipment, water conservation measures, refrigerant transition programmes, and resource optimisation contributed towards reducing environmental impact while strengthening long-term operational sustainability.

Employee development and workplace safety remained integral to Blue Star's manufacturing philosophy. Focused training programmes, technical skill enhancement initiatives, wellness interventions, diversity and inclusion programmes, and advanced safety systems reinforced Blue Star's commitment to building a safe and inclusive manufacturing culture.

DADRA PLANT

The Dadra Plant maintained high standards of quality assurance, process innovation, and operational excellence during FY26. It retained its BIS licence, valid until September 2028, and successfully completed two surveillance audits, demonstrating continued compliance with regulatory requirements and its quality management systems.

The plant also enhanced its export readiness through the successful acquisition of critical certifications supporting international business growth. During the year, it obtained the Pressure Equipment Directive (PED) certification for its brazing process, a mandatory requirement for supplying air conditioners to the European Union market. The plant also successfully completed the Microgeneration Certification Scheme (MCS) audit, with certification expected in FY27, enabling access to the United Kingdom market. Quality systems were strengthened through nine improvement projects, including four Six Sigma initiatives. The implementation of a Digital Process Audit System also increased the speed, accuracy, and effectiveness of process audits.

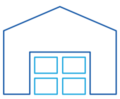
Workplace safety and capacity enhancement were key priorities during FY26. The plant reinforced workplace safety through the implementation of 12 critical safety standards, achieving a safety rating of 2.75. Capacity enhancement initiatives included the commissioning of a dedicated assembly conveyor line, integrated with an R290 refrigerant charging facility and a high-accuracy helium-based leak testing system to support safe refrigerant handling and improve product reliability.

Manufacturing capability was also enhanced through the commissioning of advanced

Precision coil processing at Dadra Plant

equipment including the Automatic Panel Bender P2, Automatic Coil Bending Machine, Cart-Type Stackers for fin presses, and an Integrated Tube Bending Machine. These investments improved production flexibility, enhanced productivity, and supported future growth requirements.

Operational efficiency improved significantly through layout optimisation across fabrication, paint shop, and offline brazing assembly areas. Additional initiatives such as online packing on assembly lines, tubing alignment optimisation, implementation of the model-cell concept, ready-to-fit sub-assemblies, and line balancing across ducted and VRF production resulted in a 9% improvement in manufacturing capacity. The expansion of vertical storage infrastructure by 22000 sq. ft. further strengthened storage capacity and material handling efficiency.



22000 sq. ft.
of vertical storage capacity added at Dadra Plant

The plant also supported business growth through successful implementation of key new products for the international markets including ducted sleek IDUs, R32 inverter systems, sixth-generation VRF heat pumps, 18HP side discharge units, and high-efficiency ducted units, expanding its product portfolio and market responsiveness.

The facility received several industry recognitions during the year for its commitment to quality, innovation, and employee engagement, including the CII Anvesh First Runner-Up Award, QCFI Ankleshwar Platinum Award for Exceptional Employee Experience, and the NAMC Gold Award. Expansion activities also commenced during the year, with the necessary statutory approvals secured and the first slab casting completed, marking a significant milestone in the project's execution.

The plant's Value Analysis and Value Engineering (VAVE) initiatives delivered savings of ₹4.26 crores against a target of ₹2.81 crores, reflecting a strong focus on cost optimisation and value creation.

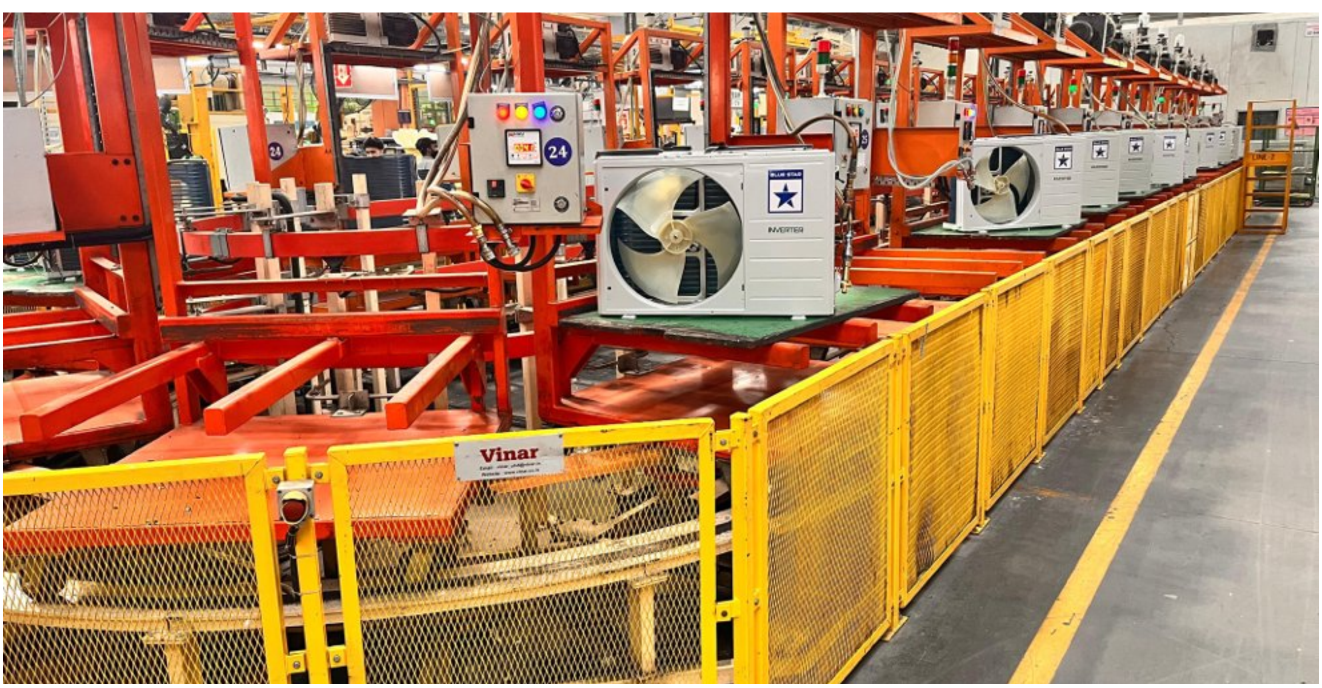
HIMACHAL PRADESH PLANTS

The two manufacturing plants at Himachal Pradesh emerged as key production hubs through investments in automation, productivity enhancement, and operational excellence. During FY26, the plants achieved a significant milestone of cumulative dispatches exceeding 6.3 million units since inception, reflecting sustained manufacturing strength, operational consistency, and market responsiveness.

The plants continued to drive efficiency through targeted automation and Low-Cost Automation (LCA) initiatives across key production processes. Ready-to-Fit programmes and automation-led interventions enhanced productivity, improved resource utilisation, and streamlined manufacturing operations. As a result, indoor unit productivity improved by 14%, increasing from 2.04 to 2.33 units per person per hour (UPPH), while outdoor unit productivity improved by 11%, rising from 1.35 to 1.50 UPPH. These improvements enabled manpower optimisation and increased manufacturing throughput.

To further enhance product quality and reliability, the plants upgraded their testing and validation capabilities through the implementation of Built-In Quality (BIQ) and Direct Online (DOL) initiatives aimed at improving process control and preventing defects. Advanced Helium Leak Detection (HLD) machines were commissioned to strengthen leak detection capabilities, while the new 5TR Dual Code Testing Laboratory improved product validation and testing accuracy.

Over 6.3 million units dispatched from HP Plants since inception



Automated testing carousel enhancing quality and reliability at Himachal Pradesh Plant

During FY26, the plants implemented several workplace safety initiatives, including electrical safety interlocks, RCCB systems, double-earthing provisions, upgraded fire hydrant and sprinkler systems, and comprehensive roof fall protection measures, reducing operational risks and enhancing workplace safety.

The facilities also demonstrated remarkable operational agility during the LPG supply crisis by rapidly deploying alternate brazing systems, infrared heating solutions, and oxy-acetylene-based brazing processes. These interventions ensured uninterrupted production operations and highlighted the plants' ability to maintain business continuity under challenging conditions.

Alongside safety initiatives, the plants also focused on optimising inventory and manufacturing space to improve operational performance. During the year, they generated approximately ₹7 crores in cash flow through the liquidation of non-moving inventory and assets, while optimising more than 5300 square metres of manufacturing space, contributing to improved working capital management.

Through continued investments in automation, digitalisation, infrastructure enhancement, and process optimisation, the plants at Himachal Pradesh remain well-positioned to support Blue Star's long-term manufacturing growth and competitiveness.

Excellence in Quality Award at the Manufacturing Today Forum

WADA PLANT

During the year, the Wada Plant placed strong emphasis on quality leadership, advanced manufacturing, and operational excellence.

The plant's focus on quality was recognised with the Excellence in Quality Award for the second consecutive year at the Manufacturing Today Forum. As part of its continuous improvement journey, the facility successfully completed 16 quality enhancement projects comprising seven Six Sigma projects, five Quality Control Circle initiatives, three Seven QC Tools-based projects, and one digitalisation project.

A significant milestone during the year was the successful completion of the plant's Quality Improvement (QI) to Quality Assurance (QA) transformation journey across chiller and condensing units. Through initiatives such as 'Know Your Failure to No Failure', enhanced operator ownership, statistical process control, process automation, Poka-Yoke implementation, and skill enhancement programmes, the plant strengthened its right-first-time philosophy and improved process reliability.

The facility also renewed and secured key certifications, including IMS, ASME, PED, Lenor, and Intertek. In addition to its existing PED certification, the plant obtained Category III PED certification, further supporting its compliance framework and export readiness.

Manufacturing capabilities were significantly enhanced through investments in advanced production technologies. The commissioning of an automatic Salvagnini panel bender improved precision, flexibility, and productivity in sheet metal fabrication, while a new 400 TR run-test facility for air-cooled screw chillers strengthened in-house testing capabilities and supported future production expansion.

Quality assurance systems were further strengthened through the deployment of advanced vision-based inspection systems for fabricated parts and coil circuit inspections. Poka-Yoke mechanisms were introduced in critical operations such as refrigerant charging and high-pressure testing, reducing process variability and strengthening product reliability.

Continuous improvement initiatives across product lines delivered gains in productivity, workflow optimisation, and cycle-time reduction. Ergonomic enhancements, including pick-and-place systems, reduced manual effort and improved workplace efficiency, while comprehensive machine guarding measures enhanced workplace safety across manufacturing operations.

Digital transformation accelerated during the year with the implementation of an Andon system for real-time production monitoring and improved operational visibility. Pilot implementation of digital SOPs also improved process standardisation, accessibility, and traceability of work instructions. In addition, the successful introduction of R454B refrigerant gas in condensing units reinforced the plant's readiness for next-generation refrigerant technologies and evolving regulatory requirements.

Employee development received significant attention through technical capability-building programmes covering Design Failure Mode and Effects Analysis (DFMEA), Process Failure Mode and Effects Analysis (PFMEA), Statistical Process Control (SPC), and advanced quality methodologies. Operator development programmes under the QI-to-QA initiative enhanced

16 quality enhancement projects completed at Wada Plant

High-capacity insulated panel manufacturing at Wada Plant

Employee development through technical capability-building programmes

accountability, process ownership, and quality awareness across the workforce.

Employee engagement initiatives fostered a vibrant workplace culture, reinforcing collaboration, recognition, and inclusivity.

The plant's VAVE initiatives generated savings of ₹8.47 crores during FY26, reflecting its consistent focus on innovation, cost optimisation, and value creation.

AHMEDABAD PLANT

The Ahmedabad Plant reinforced its position as Blue Star's specialised manufacturing hub for deep freezers. As an early adopter of environmentally friendly refrigerants and blowing agents in insulation systems, the plant remained committed to supporting sustainable manufacturing practices while meeting growing market demand.

During the year, the facility successfully aligned its manufacturing operations with revised BEE Star Rating requirements and commenced production of new models compliant with updated energy-efficiency norms. Renewal of the BIS licence reinforced regulatory compliance and ensured continuity of operations. The plant also implemented packaging standardisation and optimisation initiatives under its Total Cost Management (TCM) programme, contributing to improved product margins and enhanced operational efficiency

The facility invested in advanced manufacturing technologies and productivity enhancement initiatives. The obsolete Computerised Performance Testing (CPT) system was replaced with a modern Wi-Fi-enabled testing platform featuring advanced sensors and real-time performance monitoring capabilities. Productivity improvement projects across fabrication operations, machinery layout optimisation, conveyor integration, and material flow redesign enhanced manufacturing throughput and workplace ergonomics.

Quality assurance systems were enhanced through the commissioning of calibration systems for H_2N_2-based leak detection processes and implementation of customised digital quality monitoring solutions. Tablet-based process control systems enabled real-time monitoring and statistical analysis of critical production parameters, improving process consistency and reducing rejections. Reconditioning and calibration of the performance testing laboratory strengthened compliance with BIS and BEE standards while enhancing product validation capabilities.

The plant also advanced several environmental sustainability initiatives during the year. Water conservation campaigns, upgrades to the Reverse Osmosis (RO) system, and telemetry-enabled monitoring of groundwater resources contributed towards improved resource management and reduced water consumption. Replacement of conventional air conditioning systems with energy-efficient units further reduced energy consumption and environmental impact.

The plant enhanced workplace safety through the implementation of area scanners, light curtains,

BEE-compliant product portfolio upgraded at Ahmedabad Plant

Computerised Performance Testing (CPT) line at Ahmedabad Plant

RFID-integrated safety barriers, work-at-height protection systems, and advanced lightning protection infrastructure. Smart lighting systems equipped with IoT-enabled controls improved workplace illumination while reducing energy consumption.

The facility also completed a comprehensive Arc Flash and Electrical Hazard Assessment through an independent third-party audit. Subsequent implementation of safety labelling, risk boundary identification, and mitigation measures strengthened electrical safety awareness and compliance across the plant.

Employee wellbeing and capability development continued through regular compliance training programmes, emergency preparedness initiatives, functional excellence workshops, health awareness sessions, and annual medical check-ups. Community engagement remained an important focus area, with blood donation drives, educational outreach programmes, industry-academia interactions, and BIS awareness initiatives reinforcing the plant's commitment to responsible corporate citizenship.

SRI CITY PLANT

The Sri City Plant of Blue Star Climatech Limited is one of India's most advanced and sustainable air conditioning manufacturing facilities. Established within a record 15-month timeline from concept to commissioning, the facility has been designed to support future growth while creating significant employment opportunities with a strong emphasis on workforce diversity.

The plant strengthened its quality systems by successfully achieving ISO 9001:2015 certification with zero Non-Conformities (NC) and zero Opportunities for Improvement (OFI), while also completing BIS licence renewals for IS 1391 and IS 11329. As part of its continuous improvement journey, the facility expanded its Six Sigma and Quality Circle initiatives, with 13 Quality Circle projects and multiple Green Belt, Black Belt, and Yellow Belt projects addressing field failures, process capability enhancement, productivity improvement, and supplier quality. A structured three-year Built-In Quality (BIQ) roadmap was also launched to strengthen quality culture, operator capability, and standardised manufacturing systems.

Quality assurance systems were enhanced through several process improvements, including upgraded helium leak testing, the implementation of a two-stage leak detection process, more robust end-of-line leak testing, and barcode interlocking for critical components to strengthen traceability and eliminate assembly errors.

Employee capability development remained a strategic priority through structured training programmes covering brazing certification, Built-in-Quality methodologies, Six Sigma, quality tools, and operator skill enhancement. The plant strengthened its future talent pipeline through partnerships with ten Industrial Training Institutes (ITIs), expanded apprenticeship programmes, and continued to build a diverse workforce, with women representing approximately 31% of the total workforce. These initiatives reinforced operator ownership, enhanced technical capability, and fostered a culture of continuous improvement.

The facility achieved several manufacturing milestones during the year, including the highest-ever monthly production of nearly 70000 units on the 5 mm line, representing nearly 75% of the monthly production plan from a single line. It also established a new single-shift production record of 1200 room air conditioners. Production efficiency continued to improve through cycle-time reduction, workstation optimisation, and productivity enhancement initiatives across assembly operations.

Operational excellence was further reinforced through localisation and supply chain transformation initiatives. Localisation of drives, compressor sourcing, and multiple

Women represent approximately 31% of the total workforce

Room AC assembly in progress at Sri City Plant

Assembly and testing carousel at Sri City Plant

critical components from suppliers in Chennai and Sri City reduced freight costs, improved inventory management through Direct-On-Line (DOL) and Just-In-Time (JIT) systems, and enhanced supply chain resilience. The plant also expanded its product portfolio with new indoor unit chassis platforms and one-way cassette products while supporting several new product introduction (NPI) programmes for domestic and international markets.

Continuous improvement initiatives delivered measurable gains in productivity and manufacturing efficiency. Overall man-minutes per unit improved by 10%, labour efficiency increased by 13.5%, offline manpower ratio was reduced by 3%, and numerous Kaizen projects contributed to higher operational efficiency and cost optimisation. Maintenance excellence was sustained through high equipment availability, improved reliability, and multiple engineering innovations that increased uptime while reducing operating costs.

Digitalisation and automation continued to progress with the deployment of AI-powered safety cameras on forklifts and no-man zones, expanded machine guarding initiatives, barcode-based component interlocking, and enhanced production traceability. These initiatives improved operational visibility, strengthened process control, and further advanced the plant's commitment to built-in quality and workplace safety.

The plant also advanced its sustainability agenda during the year through a range of resource efficiency and environmental initiatives. It continued to leverage its 2.6 MW rooftop solar power system, rainwater harvesting infrastructure, nano-ceramic pretreatment process, and zero liquid discharge effluent treatment system. Additional initiatives such as LPG-to-PNG conversion, utility optimisation, compressed air efficiency improvement, solar performance enhancement, and energy conservation projects, further reduced energy consumption and carbon emissions. These initiatives supported annual avoidance of approximately 1300 tonnes of CO_2 emissions, reinforcing the plant's commitment to environmentally responsible manufacturing. The facility also retained its IGBC Gold Certification and was recognised with a Gold Medal at the National Awards for Manufacturing Competitiveness.

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 enable the Company to develop advanced, future-ready solutions that address evolving market needs.

Air cooled chiller testing laboratory at Wada Plant

Research and Development (R&D) is the driving force behind Blue Star's next-generation HVAC&R solutions, with a focus on energy efficiency, sustainability, smart controls, indoor environmental quality, and advanced thermal systems designed to meet the evolving demands of residential, commercial, and industrial environments. Blue Star operates one of the most advanced R&D ecosystems in the Indian HVAC&R sector, supported by a team of nearly 500 skilled professionals and cutting-edge infrastructure. The Company's capabilities include performance testing laboratories, reliability testing facilities, electronics laboratories, 3D modelling, and virtual simulation systems that support the development of technologically advanced and customer-centric products.

The Company follows a structured New Product Development (NPD) process that enables the introduction of innovative products across heating, ventilation, air conditioning, and commercial refrigeration categories. To further strengthen innovation capabilities and future readiness, Blue Star continues to invest in advanced R&D infrastructure, talent, and collaborative research initiatives. Through engagements with world-renowned universities, consultants, start-ups, and researchers, the Company is expanding its R&D ecosystem to accelerate the development of sustainable technologies and future-ready cooling solutions.

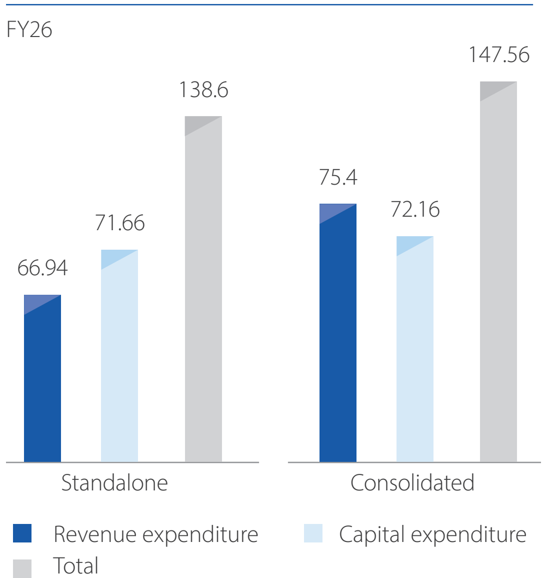
Significant progress was achieved during the year in the design and development of room air conditioners, commercial air conditioning systems, deep freezers, Variable Refrigerant Flow (VRF) systems, chillers, and heat pumps. These developments were supported by the commissioning of advanced performance test laboratories at the Ashok M Advani Innovation Centre at Bhiwandi, Maharashtra, specifically designed for testing air-to-air and air-to-water heat pumps in accordance with Indian, European, and American standards.

Performance test laboratories located at Thane, Bhiwandi, Dadra, and Wada are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). Additionally, the air-cooled and water-cooled chiller test facilities at Wada are certified by the Air Conditioning, Heating, and Refrigeration Institute (AHRI), reinforcing the Company's commitment to global quality and compliance standards.

Blue Star focuses on strengthening its intellectual capital through focused investments in technology and specialised talent across areas such as NVH, material science, low GWP refrigerants, energy efficiency, and indoor environmental quality. As of March 31, 2026, the Company had filed a total of 74 patents across product categories, along with 85 design registrations.

The Company's technical capabilities are also recognised by policy-making departments of the Government of India, with Blue Star actively contributing to the development of industry standards related to energy efficiency and safety through participation in technical committees and forums.

Research & Development Investments (₹ crores)



PRODUCT GROUP HIGHLIGHTS

ROOM AIR CONDITIONERS

Blue Star strengthened its room air conditioner portfolio through a comprehensive revamp aligned with the latest BEE energy-efficiency norms, with a focus on enhanced performance, improved design aesthetics, increased localisation, and supply chain resilience.

▶ Split Air Conditioners

The Company upgraded its split air conditioner portfolio across 3-Star and 5-Star categories, covering 49 base SKUs with efficiency improvements of up to 13% and 12% respectively over existing models. These enhancements reinforce Blue Star's focus on delivering high-performance and energy-efficient cooling solutions.

New IDU Chassis Development

Blue Star developed two new indoor unit platforms — 1100 mm and 1250 mm IDUs — supporting improved energy performance while reducing import dependency and strengthening supply chain resilience.

Flagship Series – Iconia

The Company introduced the new Iconia series featuring premium aesthetics, advanced performance, and modern design elements tailored to evolving consumer preferences in the premium residential segment.

▶ Window Air Conditioners

The window air conditioner portfolio was expanded with new 3-Star fixed speed and inverter models across 8 SKUs ranging from 9K to 22K capacities, along with a 5-Star 18K variant catering to diverse customer requirements.

▶ Air Coolers

Blue Star strengthened its presence in the air cooler category through the launch of 5 SKUs across desert and tower variants ranging from 35L to 80L capacities. The products feature high-efficiency anti-microbial honeycomb cooling pads and robust designs suited for dry climatic conditions.

LIGHT COMMERCIAL AIR CONDITIONERS

Blue Star continued to strengthen its leadership in the Light Commercial Air Conditioning (LCAC) segment through portfolio upgrades and new product introductions across mega split ACs, cassette ACs, and verticool solutions. The category witnessed the introduction of 12 SKUs across in-house and OEM manufacturing platforms.

Upgradation as per New LCAC BEE Table

With the introduction of revised BEE standards, the LCAC portfolio was upgraded to deliver approximately 8-10% higher energy efficiency across product ranges.

Key Product Introductions

Blue Star is planning to launch a new one-way cassette range in 1.5 TR and 2 TR capacities featuring ultra-quiet operation, slim form factors, and modern aesthetics, designed for premium commercial applications.

Smart Products

The four-way cassette and one-way cassette AC ranges were integrated with smart features, enhancing product differentiation and market competitiveness.

COMMERCIAL AIR CONDITIONING

VRF Systems

Blue Star introduced a new modular top discharge VRF VI Plus series ranging from 8 HP to 28 HP. The systems incorporate high-efficiency heat exchangers, compact outdoor unit designs, intelligent oil management systems, and enhanced reliability features.

One-way Cassette

A new generation of sleek one-way cassette indoor units was developed in capacities ranging from 0.8 TR to 2.3 TR, catering to premium commercial and residential applications with higher airflow and low sound levels.

Ducted Systems

Energy-efficient inverter split systems ranging from 1.5 TR to 5 TR using low-GWP R32 refrigerant were developed for high ambient applications. These systems also feature IoT-enabled connectivity for mobile app control and smart diagnostics.

COMMERCIAL REFRIGERATION

Blue Star enhanced its commercial refrigeration portfolio through product upgrades and new developments focused on energy efficiency, sustainable refrigerants, improved functionality, and superior user experience across food, retail, hospitality, healthcare, and industrial refrigeration applications.

Deep Freezers

The Company achieved full compliance with mandatory BEE Labelling 2.0 norms across the deep freezer portfolio from January 2026.

Storage Water Coolers

Development of Storage Water Coolers focused on capacity enhancement in 80L and 150L storage water cooler models alongside industrial design upgrades targeting improved aesthetics, ergonomics, and user experience.

Refrigeration for Cold Storage

Blue Star expanded its cold storage refrigeration portfolio through the development of condensing and evaporating units for commercial and industrial applications, including low-GWP refrigerant-compatible systems supporting environmentally sustainable cooling solutions and robust designs suited for dry climatic conditions.

CHILLERS AND HEAT PUMPS

Blue Star strengthened its chillers and heat pumps portfolio through new product development and technology enhancements aimed at improving energy efficiency, sustainability, reliability, and performance across process cooling, commercial HVAC, and residential heating applications.

Chillers

Blue Star expanded its chiller portfolio with a new range of brine chillers designed for process and pharma applications. During FY26, the Company registered a record 604 star-labelled models spanning scroll, screw, and centrifugal variants on the BEE portal.

Heat Pumps

Blue Star commenced supplies of 5kW R290 monobloc hybrid air-to-water heat pumps in Europe and completed development of R290-based monobloc all-electric air-to-water heat pumps in 6kW and 9kW capacities for residential space heating and hot water applications.

HUMAN CAPITAL

Blue Star is committed to strengthening its people practices with a focus on learning, leadership development, and workforce capability building. Through continued investments in talent development, technical training, diversity and inclusion, and employee engagement initiatives, the Company is building a people ecosystem aligned with its long-term growth aspirations and organisational excellence.

Participants at the closing plenary of the Senior Manager Programme in Mumbai

Over 34000 hours of classroom and digital learning recorded through the 'iLearn' platform during FY26

Blue Star prioritised developing a skilled and high-performing workforce during FY26, while fostering a culture of continuous learning and professional development across businesses.

As of March 31, 2026, Blue Star had over 3400 managerial employees, with Gen Z constituting over 21% of the workforce. During the year, the Company onboarded more than 150 campus trainees to strengthen its future talent pipeline. Hiring across MEP Projects, R&D, and Manufacturing was directed towards enhancing technical expertise and leadership capabilities.

Blue Star continued to invest in strengthening leadership capabilities and building a robust succession pipeline aligned with its long-term growth ambitions. The Academy of Leadership Development drove learning initiatives through programmes such as the Senior Manager Programme, Emerging Manager Programme, and Batch II of the Star Lead Programme. Structured learning partnerships with institutions such as S P Jain Institute of Management & Research and BITS Pilani were an integral part of the learning ecosystem during the year.

In FY26, Blue Star recorded over 34000 hours of classroom and digital learning through the 'iLearn' platform. The Company conducted focused learning and capability-building initiatives covering leadership development, technical training, and managerial effectiveness. Partnerships with Industrial Training Institutes (ITIs) also helped build a pipeline of skilled technicians aligned with the Government's 'Make in India' vision. Investments in shop floor training and workplace safety initiatives further supported operational excellence across manufacturing facilities.

The Company also advanced its diversity, equity, and inclusion, with women representing around 10.7% of the overall workforce and 12% of the blue-collar workforce. Nearly 30% of the workforce at the Sri City Plant comprised women employees, while the number of women in managerial positions increased by 18% during the year.

Blue Star also emphasised employee engagement, mentoring, and career development initiatives to support its growing Gen Z workforce. Voluntary attrition remained stable at 16.4% during the year, reflecting continued focus on employee retention and workforce stability.

Women in managerial positions increased by 18% during the year

RELATIONSHIP CAPITAL

Blue Star enhanced customer engagement and service capabilities through investments in digital platforms, service infrastructure, technical expertise, and supply chain resilience. The Company also elevated its customer experience, supplier partnerships, digitalisation, sustainable sourcing, and e-commerce capabilities to support long-term customer satisfaction.

Blue Star's exclusive brand shop in Navi Mumbai

CUSTOMER CENTRICITY

Customer centricity is one of the core elements of Blue Star's corporate strategy and operational approach. The Company is committed to delivering differentiated, high-quality products and services while enhancing customer engagement across touchpoints. This sustained focus on responsiveness, reliability, and service excellence has contributed to improving customer confidence across segments.

Blue Star also integrates safety, environmental responsibility, and sustainability considerations into its offerings and operations, ensuring alignment with evolving customer expectations and global standards. This integrated approach reinforces customer trust, strengthens brand equity, and supports the Company's position as a preferred partner in the HVAC&R industry.

As part of its commitment to service excellence, Blue Star has further strengthened its structured "Gold Standard Service" framework, aimed at delivering a superior customer experience through:

- Faster response and resolution timelines
- Enhanced service quality and consistency
- Proactive maintenance and lifecycle support
- Premium customer engagement and support

VALUE CREATION THROUGH AFTER-SALES SUPPORT

As one of the largest HVAC&R after-sales service providers in India, Blue Star delivers a seamless and high-quality customer experience that strengthens long-term customer relationships and loyalty. Recognising after-sales service as a key differentiator, the Company remains focused on improving service responsiveness, reliability, and operational efficiency across its service network.

To strengthen customer engagement and digital service capabilities, Blue Star has deployed a Customer Relationship Management (CRM) system built on the Salesforce platform. The platform has enhanced customer interaction management and service coordination, while improving responsiveness and engagement across channels.

The CRM platform provides several advantages, including:

- Faster response and efficient resolution of service requests
- Uniform customer experience across channels and interactions
- Proactive communication and engagement with customers
- Tailored services aligned with customer preferences and historical data

To further build on service delivery capabilities, Blue Star operates an extensive network of 33 spare parts centres across India, supported by electronic laboratories at 14 locations for faster availability of PCBs and controllers. These initiatives enable improved turnaround time for customer complaints while supporting repair and refurbishment initiatives aligned with circular economy principles.

In addition, the Company has partnered with regional e-waste recyclers for environmentally responsible disposal of defective spare parts collected through channel partners.

STRENGTHENING SERVICE AND TECHNICAL COMPETENCIES

Blue Star places significant emphasis on technical capability development within its service network. The Company has established training centres across facilities nationwide to enhance the technical capabilities of service technicians. In collaboration with engineering institutes and Polytechnics/ITIs across India, Blue Star has established Centres of Excellence (CoEs) and Skill Development Centres (SDCs) to support industry-oriented technical training for technicians, engineers, faculty members, and students.

‘Training on Wheels’ initiative delivers hands-on technical training across locations

The training curriculum covers preventive maintenance, troubleshooting, breakdown management, customer handling, and safety practices to ensure technicians are industry-ready.

The Company’s ‘Training on Wheels’ initiative provides hands-on technical training directly to technicians across locations through mobile training units equipped with simulators, test jigs, and service tools for practical on-ground learning.

Blue Star’s Operations and Maintenance (O&M) services provide end-to-end support for electromechanical utilities, supporting operational efficiency and reliability for customers. These services remain an integral part of the Company’s overall service portfolio.

In addition, the Company has established Skill Development Centres (SDCs) across locations in collaboration with ITIs and Polytechnics to further strengthen technical capability development across the service ecosystem.

CUSTOMER EXPERIENCE CENTRE

In response to evolving customer expectations and increasing focus on service excellence, Blue Star has strengthened its customer experience framework through a dedicated Customer Experience Strategy Organisation. The initiative is guided by the credo: “I am Blue Star. I take pride in delivering a world-class customer experience.”

Key initiatives undertaken during the year included strengthening call centre operations, training and certification of field technicians, and capability enhancement of service delivery engineers and members of the Service Specialist Group (SSG), particularly in the area of electronics.

The Company also expanded its training infrastructure through Hands-on Training Centres and SDCs across locations to support practical learning and continuous capability enhancement.

Blue Star has strengthened field quality assurance processes and expanded its nationwide network of channel partners. The Company has also streamlined the planning, distribution, and last-mile delivery of spare parts through the use of advanced tracking technologies. These initiatives are aimed at delivering a seamless and elevated customer experience across service operations.

SUPPLIER FOCUS

Supply Chain Management

Blue Star’s supply chain management function has evolved into a strategic business enabler, integrating operational excellence, innovation, and data-driven decision-making to enhance resilience, competitiveness, and sustainable growth. The function plays a central role in supporting the Company’s growth trajectory through robust governance mechanisms, advanced digital capabilities, and deeper collaboration with strategic suppliers.

Building a Resilient Supply Ecosystem

The Company has strengthened resilience across critical supply categories such as compressors, electronics, metals, plastics, chemicals, and other key raw materials through supplier diversification, long-term procurement agreements, and strategic inventory planning.

A multi-tier governance framework operating at corporate, business units, and plant level, monitors supply risk, operational performance, and continuous improvement initiatives, creating competitive advantages that are difficult to replicate.

Blue Star is also advancing backward integration initiatives and alternative material validation programmes to mitigate commodity volatility, reduce import dependence wherever feasible, and reinforce supply security across its manufacturing operations.

A technician at one of Blue Star's service centres

DRIVING EXCELLENCE ACROSS KEY DIMENSIONS

Cost leadership is driven through category-led sourcing strategies, optimal market timing, long-term procurement agreements, and targeted cost improvement, contributing to margin expansion and disciplined capital deployment.

Quality ownership remains a cornerstone of the Company's supply chain strategy. Rigorous supplier capability assessments, structured supplier excellence initiatives, and manufacturing excellence programmes support production readiness and consistent product reliability across categories.

Delivery assurance has been sustained despite global and regional logistics disruptions through enhanced warehouse capacity, robust supply planning, flexible logistics networks, and closer alignment with channel partners on stocking norms and replenishment cycles.

New Product Development is enabled through early supplier involvement, joint value engineering initiatives, and tool-up planning to ensure component readiness, manufacturability, and timely launch of products across business segments.

Risk management is anchored in a structured framework classifying suppliers and components by criticality and risk level, supported by dual and multi-sourcing strategies, contingency planning protocols, and scenario-based response mechanisms for geopolitical, logistics, and commodity-related risks.

Digitalisation and Advanced Analytics form an integral part of Blue Star's supply chain transformation journey. The Company is executing a phased digital roadmap across its supply chain operations, progressing from process automation towards integrated, AI-enabled planning, visibility, and decision-support systems. Enhanced spend analytics platforms, supplier performance dashboards, and real-time visibility tools have improved procurement agility, compliance, and cross-functional collaboration across the supply chain ecosystem.

Responsible and Sustainable Sourcing remains embedded within the Company's procurement and supply chain framework in alignment with its Business Responsibility and Sustainability Reporting (BRSR) commitments. Blue Star promotes responsible procurement practices with a strong focus on supplier compliance, resource efficiency, circular economy initiatives, and improved waste and packaging management across the value chain.

Through Supplier Excellence programmes, the Company collaborates with key partners to improve productivity, quality, cost, delivery, and safety, thereby creating shared value and reinforcing long-term, trust-based relationships.

The supply chain ecosystem remains well positioned to support the Company's growth ambitions through stronger supplier partnerships, enhanced resilience, and advanced digital capabilities. Blue Star remains committed to building a resilient, high-performing, and sustainable supply chain ecosystem that supports long-term competitive advantage and industry leadership.

DEALER FOCUS

Channel Management

Blue Star further strengthened its channel management processes through digital integration and partner enablement initiatives.

During the year, a digital platform was provided through the Zoho Creator portal to enable channel partners to upload onboarding documents and complete registration processes digitally.

In addition, a digital agreement facility was enabled through the Star Connect portal, allowing channel partners to review and accept e-agreements digitally, thereby improving operational efficiency, transparency, and ease of doing business.

Ecommerce

As digital commerce evolves, Blue Star has strategically expanded its online footprint through partnerships with leading online distributors and strengthened presence across major ecommerce platforms such as Amazon and Flipkart. The Company has also introduced direct seller and dropship models, further enhancing market reach and accessibility.

Ecommerce platforms serve as important product discovery and research channels, with customers increasingly evaluating products online prior to purchase through traditional retail outlets. The Company has made targeted investments in ecommerce marketing through machine learning and AI-enabled tools to optimise performance. Sponsored listings and brand advertisements across platforms have strengthened brand visibility, resulting in improved click-through rates and conversions at optimised cost levels.

Blue Star also maintained strong visibility during ecommerce events and festive periods characterised by significantly higher consumer traffic. In addition, the Company offers its complete product portfolio through its ecommerce-enabled website, providing rich product content, seamless user experience, secure payment options, and direct fulfilment from Company warehouses, thereby enabling a more convenient customer buying journey.

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 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

Blue Star furthered its social impact agenda through CSR initiatives centred on skill development, education, healthcare, and environmental sustainability. During FY26, these programmes empowered communities, enhanced livelihoods, and improved access to essential services across India. The Company also expanded its environmental and climate-focused initiatives, reinforcing its vision of sustainable growth.

Team Blue Star with recipients of the MTA Centennial Scholarship

At Blue Star, creating meaningful and lasting social impact is an integral part of the Company's value system. Guided by its commitment to empowering, enriching, and educating communities, the Company undertakes initiatives aimed at fostering inclusive and sustainable development. Blue Star continues to support communities, with particular emphasis on those residing around its manufacturing facilities. Well before Corporate Social Responsibility became a formalised mandate, the Company had established the Blue Star Foundation (BSF), in 1982, a charitable trust dedicated to serving underprivileged sections of society.

The Company's Corporate Social Responsibility (CSR) division drives the planning, implementation, and monitoring of the Company's CSR initiatives with a strong focus on governance and impact.

During the year, the Blue Star group of companies (hereinafter referred to as 'Blue Star') collectively spent ₹1177.65 lakhs towards CSR initiatives (₹1021.00 lakhs by Blue Star Limited, ₹91.65 lakhs by Blue Star Engineering and Electronics Limited and ₹65.00 lakhs by Blue Star Climatech Limited), including a contribution of ₹2.42 crore to BSF.

During the year under review, Blue Star's CSR Policy was amended by the Board to expand its scope towards environmental stewardship and sustainability initiatives, in addition to the existing focus areas. The amended policy reflects Blue Star's intent to undertake structured interventions through its CSR initiatives in areas such as environmental protection, climate-related initiatives, and sustainable development, thereby reinforcing its commitment to foster a more sustainable future for communities and the environment.

Blue Star's key CSR initiatives include skill development, education, environment sustainability and health, hygiene and wellness for communities around its manufacturing facilities, along with need-based interventions across key markets in partnership with NGOs.

During the year, the Blue Star group of companies collectively spent ₹1177.65 lakhs towards CSR initiatives

SKILL DEVELOPMENT

Blue Star, in partnership with various implementing agencies, continues to drive meaningful impact in the areas of vocational training and skill development across India. Focused on creating sustainable livelihood opportunities and enabling inclusive growth, the Company's interventions are aimed at empowering underserved communities through employability enhancement, entrepreneurship support, and capacity building initiatives.

Blue Star strengthened vocational training across multiple trades, including Air Conditioning & Refrigeration (AC&R), Mechanical, Electrical, and Plumbing (MEP), BFSI, carpentry, bar bending, cooking, baking, and equipment operations through youth skill centres in Maharashtra, Tamil Nadu, Madhya Pradesh, and West Bengal. These programmes have significantly enhanced the employability of rural youth and enabled access to sustainable income opportunities. Blue Star also undertook focused interventions for women empowerment through vocational training in tailoring, handicrafts, and artefact-making, helping women develop alternate sources of livelihood and financial independence. In addition, Blue Star supported Farmer Producer Organisations (FPOs) through capacity building and handholding initiatives aimed at strengthening market access and improving technology adoption among farming communities.

Strengthening water sustainability in Palghar through collaboration with IIT Bombay

As part of its community development efforts, Blue Star refurbished and supported six Anganwadi centres in Sri City, Andhra Pradesh, and conducted structured capacity-building programmes for Anganwadi teachers to improve early childhood learning environments. Through these initiatives, over 225 youth benefited under the National Apprenticeship Promotion Scheme (NAPS), receiving hands-on industry training, academic credit, and soft skills development. More than 1000 youth were trained across various vocational trades, around 750 farmers were supported through FPO strengthening initiatives, and over 500 women received livelihood-oriented vocational training. Around 270 women and 30 persons with disabilities were trained and facilitated placements in the consumer durables sector and handholding support was extended to 195 micro-entrepreneurs in Chennai and Sri City.

750 farmers supported through Farmer Producer Organisations (FPOs)

EDUCATION

Through its flagship initiative, the Mohan T Advani Centennial Scholarship, BSF continues to support meritorious students pursuing engineering, architecture, and diploma programmes across India. During FY26, scholarships were awarded to 464 students across selected partner institutions. Beyond financial assistance, the initiative also included site visits, technical guest lectures, and mentorship sessions aimed at enhancing industry exposure and holistic learning.

In partnership with Pratham Infotech Foundation, Blue Star extended digital education initiatives to 10 schools in Kala Amb, Himachal Pradesh, benefiting over 2500 children. Focused on promoting self-learning and bridging the digital divide, the programme seeks to enhance access to quality education in remote communities. Blue Star continued to support the schooling of 128 tribal girl students by providing academic assistance, daily tutoring, regular mentoring, and healthcare support to ensure their overall development and well-being in Odisha.

Scholarships awarded to 464 students across partner institutions

Blue Star also partnered with Chaitanya Trust to promote STEM education in the Palghar district of Maharashtra, through mobile science vans, benefiting over 6000 children by making experiential learning more accessible. In addition, support was extended to around 38 children with special needs in Chennai. A library was also established to foster learning, research, and access to knowledge for students and the wider community in a remote area of Dadra and Nagar Haveli.

Honouring academic excellence through the MTA Centennial Scholarship Programme

HEALTH, HYGIENE, AND WELLNESS

Blue Star supported diagnostic and healthcare programmes that benefited over 3000 individuals from underserved communities by providing access to free cancer diagnostic services through partner hospitals, including The Cancer Institute (WIA), Chennai; Dr M L Dhawale Trust's Rural Homeopathic Hospital, Palghar; and Manav Seva Public Charitable Foundation, Akola.

Health camps were organised in Varanasi and Ahmedabad, covering general medical check-ups, nutritional support, and cervical cancer screening for women. Further strengthening its commitment to community healthcare and well-being, medical support was extended to children battling thalassemia and cancer in Mumbai, while also conducting eye screening camps for community members in Chennai.

ENVIRONMENT AND SUSTAINABILITY

As part of its environmental sustainability efforts, Blue Star implemented initiatives focused on water security and water conservation, creating rural livelihoods and delivering measurable long-term impact across communities.

As part of its water conservation efforts, Blue Star inaugurated a water shaft in Baliwadi, located

Community Eye Check-Up Camp in Chennai, Tamil Nadu, supported by Blue Star

Inaugurating a water shaft in Palghar, Maharashtra

approximately 25 km from the Wada Plant in Maharashtra, enhancing water resilience and benefiting over 500 households in the Palghar region. In addition, following a detailed community assessment, two tribal villages in geographically challenging and water-scarce areas were identified, leading to targeted interventions benefiting 30 households and supporting long-term water sustainability. A pond rejuvenation project was undertaken which positively impacted around 500 community members near Sri City.

Over 3000 individuals benefited through healthcare and diagnostic programmes

In the area of sustainable agriculture, Blue Star supported 39 farmers across 50 acres in Pune district in adopting agroforestry practices, resulting in the plantation of over 13000 trees and contributing towards improved environmental sustainability and farm productivity. Blue Star also promoted beekeeping as an alternate livelihood opportunity across four villages in Palghar, Maharashtra, benefiting over 250 farmers. As part of the initiative, 65 farmers, of whom 61% were women, received hands-on training in beekeeping practices. Additionally, 180 farmers were provided bee flora seeds across eight varieties to encourage pollinator-friendly farming practices and strengthen rural livelihoods.

On the research front, Blue Star onboarded a dedicated researcher under academic guidance to support sustainability initiatives aimed at creating long-term environmental and social benefits for the public at large.

NATURAL CAPITAL

Prudent management of natural resources shaped the Company's approach towards environmental stewardship. Initiatives across energy, water and emissions management enhanced efficiency, lowered environmental impact and accelerated progress on sustainability priorities.

ESG team receiving the Net Zero Impact Award 2026 at the UBS Forums

DADRA PLANT

Initiatives driving energy efficiency and sustainability:

- Introduced water flow meters, gas flow meters, and multifunction energy meters across key operations to enable accurate measurement, continuous monitoring, and data-driven analysis supporting the identification and implementation of new energy efficiency initiatives.
- Increased rooftop solar power capacity by 30% from 100 kW to 130 kW. The system generated 114597 kWh of renewable electricity during the year, reducing Scope 2 greenhouse gas emissions through displacement of grid electricity consumption.
- Upgraded paint shop pumps operating on continuous duty to IE5-rated energy-efficient pumps. The initiative is expected to reduce annual energy consumption by approximately 273000 kWh and achieve a Scope 2 carbon emission reduction of around 224 tonnes per year while delivering substantial operational cost savings.
- Applied thermo-ceramic coating in paint shop ovens to improve heat retention and minimise thermal losses. The enhancement reduced reheating requirements, lowered PNG fuel consumption, and contributed to reduced carbon emissions.
- Improved power quality through phase-wise load balancing of transformers and DG sets, resulting in reduced peak demand and enabling integration of additional electrical loads without increasing sanctioned power capacity.
- Replaced the conventional compressed air purging method used for hanger cleaning with an optimised air-washing system (Air Knife). The initiative is expected to reduce compressed air wastage by 15-20%, resulting in annual energy savings of approximately 42900 kWh and a carbon emission reduction of about 35.2 tonnes.
- Installed magnetic resonators to improve PNG fuel quality and combustion efficiency, delivering fuel savings of approximately 5%. The initiative is estimated to generate annual cost savings of around ₹3.9 lakh while contributing to lower Scope 1 carbon emissions and supporting the Company's Net Zero objectives.
- Installed magnetic resonators on the LPG gas bank to improve combustion efficiency. The initiative is expected to reduce LPG consumption by approximately 2.7 tonnes annually, generating cost savings of around ₹1.8 lakh and reducing Scope 1 carbon emissions by nearly 8 tonnes.
- Optimised the operating pressure of the high-pressure compressed air system on the Salvagnini laser machine from 420 psi to 232 psi, achieving energy savings of 40-47% and reducing Scope 2 carbon emissions by approximately 28 tonnes annually.
- Installed two 5000-litre collection tanks to recover wastewater from coil shop leak testing operations for treatment and reuse in gardening and toilet flushing applications, resulting in water savings of 20-24 KL per month and annual cost savings of approximately ₹1.44 lakh.

WADA PLANT

Advancing environmental sustainability and Net Zero objectives during the year:

- The 3.1 MW rooftop solar plant achieved its highest-ever annual generation, significantly contributing to clean energy consumption and resulting in a reduction of approximately 1960 tonnes of CO_2 emissions.
- Multiple targeted initiatives were implemented under the Company's Net Zero programme as part of its broader sustainability and decarbonisation strategy. Collectively, these initiatives are projected to deliver an annual carbon footprint reduction of approximately 2200 tonnes, representing a significant milestone in the Company's journey towards long-term sustainability and climate resilience.

AHMEDABAD PLANT

Sustainability-led enhancements driving environmental stewardship and operational excellence:

- Organised Water Conservation Week across the plant to promote a culture of responsible water management and environmental awareness.
- Upgraded the Reverse Osmosis (RO) system through the installation of a parallel membrane

arrangement, reducing water rejection rates, improving system efficiency, and supporting reduced groundwater consumption.

- Replaced conventional office air conditioning systems with high-efficiency split AC units, reducing energy consumption and associated carbon emissions.
- Installed a telemetry-based monitoring system on the plant borewell to strengthen compliance, improve monitoring capabilities, and support responsible natural resource management.
- Enhanced shop floor safety through the installation of 360-degree area scanners, light curtains, safety barricading, RFID-integrated safety systems, work-at-height protection measures, and lifeline systems.
- Upgraded shop floor lighting with energy-efficient industrial high-beam fixtures integrated with IoT-enabled controls, optimising energy consumption while improving workplace safety and visibility.
- Installed CPRI-tested and certified lightning arrestors to mitigate risks associated with lightning strikes and strengthen plant infrastructure resilience.
- Conducted a comprehensive Arc Flash and Shock Hazard Analysis through an independent third-party assessment in accordance with IEEE 1584:2018 standards. Critical LT panels were labelled with Arc Flash warning information, and Arc Flash boundaries were established across the facility in line with assessment recommendations.
- Organised employee health awareness programmes and annual medical examinations for shop floor employees and staff, reinforcing the Company's commitment to employee health and wellbeing.

HIMACHAL PRADESH PLANTS

Energy and sustainability initiatives supporting the Company's Net Zero roadmap:

- During the year, multiple energy conservation initiatives were successfully implemented across both plants, resulting in annual energy savings of 751432 kWh and estimated cost savings of approximately ₹80 lakhs. These efforts contributed to a reduction of nearly 638.38 tonnes of CO_2 emissions, equivalent to preserving approximately 29000 trees.
- Key initiatives included the replacement of conventional motors with high-efficiency IE3 and IE4 motors, optimisation of HVAC systems through IVRF technology, and compressor synchronisation coupled with VFD integration. Installation of Sun Tube lighting systems further reduced daytime lighting energy consumption.
- Commissioned a 500 kW rooftop solar power system, generating approximately 54000 kWh of renewable energy annually and reducing carbon emissions by nearly 258 tonnes per year.
- Implemented multiple energy optimisation projects across utilities and production processes, significantly reducing grid electricity dependency and improving overall energy performance.
- Continued to strengthen renewable energy adoption and low-carbon operational practices in alignment with the Company's long-term Net Zero strategy.

SRI CITY PLANT

Energy-saving and smart automation initiatives:

- Applied thermo-ceramic coating in the powder coating oven, significantly reducing thermal losses and improving overall energy efficiency.
- Implemented IIoT-enabled water optimisation initiatives, resulting in substantial reductions in water consumption and improved resource efficiency.
- Advanced rainwater harvesting implementation activities, supporting long-term water conservation objectives and future resource sustainability.
- Upgraded coil shop lighting from conventional always-on operation to intelligent demand-based illumination, delivering energy savings of up to 70% while maintaining optimal lighting levels.
- Installed Variable Frequency Drive (VFD) panels in the coil shop section, reducing energy consumption by optimising motor speed based on process requirements.
- Commissioned a 2.6 MW rooftop solar power plant, significantly increasing renewable energy utilisation and contributing to a substantial reduction in CO_2 emissions.

- Improved the pre-treatment process, eliminating the requirement for DM water and enhancing overall water-use efficiency.

OFFICES

Advancing renewable energy adoption and sustainable workplace operations across office locations:

- At one of the regional offices located in Saki Naka, Mumbai, a 40 kWp Roof Top Solar system generated 41758 kWh of clean energy during FY 2025-26, meeting 16% of the total power consumption and resulting in a CO_2 emission reduction of 30 tonnes. In addition, the office procured 234896 kWh of green power through a renewable energy arrangement, supporting its Net Zero Energy status and avoiding an additional 168 tonnes of CO_2 emissions. The office had also received the Net Zero Energy Certification from the Indian Green Building Council in December 2024.
- The 50 kWp Roof Top Solar system at the office in Thane, Maharashtra, generated 73606 kWh of renewable energy during FY 2025-26, accounting for 2% of the total power consumption and resulting in a CO_2 emission reduction of 52 tonnes. To further enhance renewable energy generation, an additional 25 kWp Roof Top Solar system was commissioned during the year.
- The Chennai office sources all its electricity through a solar Power Purchase Agreement (PPA) with a third party, initiated in 2022. During FY 2025-26, this arrangement enabled an energy offset of 296894 kWh, meeting 100% of the office's power requirement and resulting in a CO_2 emission reduction of 211 tonnes.

INFORMATION TECHNOLOGY

Blue Star elevated its digital capabilities through a strong focus on data intelligence, automation, cybersecurity, and connected operations. During FY26, the Company expanded the use of analytics, AI-enabled solutions, and digital platforms to enhance decision-making, operational efficiency, manufacturing excellence, and customer experience.

DIGITISATION THROUGH PLATFORM-BASED APPROACH

The Company accelerated digitisation initiatives across supply chain and business operations through deployment of Warehouse Management Systems (WMS), sourcing platforms, and import-export digitalisation tools. Robotic Process Automation (RPA) was further expanded to automate repetitive processes, reduce manual effort, improve turnaround times, and enhance operational accuracy and compliance.

INFORMATION AND CYBERSECURITY

Blue Star reinforced its cybersecurity and data privacy capabilities through enhanced governance frameworks, awareness programmes, resilience planning, and continuous risk assessments. The Company strengthened its defence-in-depth architecture through technologies such as SOC, SIEM, MDR, WAF, NGFW, and network segmentation, while advancing privacy initiatives aligned with global and Indian data protection frameworks.

INFRASTRUCTURE

Infrastructure modernisation initiatives focused on strengthening network security, scalability, collaboration, and cloud optimisation across factories and offices. Key initiatives included network segmentation, Network Access Control (NAC), secure access governance, endpoint self-service automation, and migration to advanced collaborative platforms, enabling improved productivity, secure connectivity, and cost optimisation.

ENTERPRISE RESOURCE PLANNING (ERP)

The Company continued to strengthen its ERP capabilities through focused data quality, validation, and governance initiatives across core business and operational data. These enhancements improved system reliability, enabled seamless business execution, and supported data-driven decision-making across functions.

SALES ENABLEMENT

Blue Star strengthened its digital sales ecosystem through enhanced tools such as the Field Force App, CRM for Pre-sales, dashboards, automation platforms, and project tracking solutions. These initiatives improved visibility, standardisation, execution efficiency, and customer engagement while enabling faster decision-making and value-based sales interactions.

DIGITAL MANUFACTURING

Digital manufacturing initiatives continued to expand across Blue Star's manufacturing units through IoT-enabled capabilities and sustainability-focused programmes. Digital Work Instructions (DWI) and AI-based vision systems were piloted to enhance quality control, operational efficiency, and manufacturing excellence, while assessments for Manufacturing Execution Systems (MES) progressed during the year.

DATA INTELLIGENCE AND BUSINESS INSIGHTS

Blue Star expanded its enterprise intelligence capabilities through integrated reporting frameworks, real-time dashboards, and AI-enabled analytics across business functions. Enhanced governance under the Blue Star 360 programme improved data consistency, visibility, and accessibility, enabling faster and more informed decision-making. The Company also piloted GenAI-assisted reporting and forecasting models to improve planning accuracy and operational responsiveness.

DIGITAL R&D

Blue Star continued to strengthen its digital R&D ecosystem through initiatives focused on enhancing product lifecycle management and accelerating innovation. Key programmes included Application Lifecycle Management (ALM), e-CAD data management, AI-driven design capabilities, digital simulation platforms, and integrated project and resource management — initiatives aimed at improving collaboration, engineering efficiency, and time-to-market.

SERVICE

Blue Star further leveraged a leading Service Cloud platform across operations to enhance omnichannel customer engagement through email, phone, SMS, mobile applications, and WhatsApp-based support. GenAI-led customer connect pilots were also initiated to improve responsiveness, service efficiency, and customer experience.

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

BRAND EQUITY

Through impactful brand campaigns, expanded regional outreach, and accelerated digital engagement, Blue Star strengthened consumer recall and reinforced its leadership in the room AC category. Anchored in its 'Fast Cooling ACs' positioning, the Company expanded its reach and deepened consumer connect across untapped markets.

Blue Star enhanced its brand equity during the year through an integrated approach spanning mass media, digital engagement, strategic partnerships, and consumer-centric communication. Virat Kohli remained the brand ambassador for the Company's room AC and air coolers business. As one of India's most-followed personalities on social media, he played an important role in enhancing brand visibility and consumer affinity.

During FY26, the Company planned substantial investments towards advertising and brand-building initiatives. However, owing to the relatively weak summer season and the early onset of the monsoon, certain planned expenditures were rationalised.

The Company's brand communication strategy focused on reinforcing the core value proposition of 'Fast Cooling ACs'. Originally launched in 2023, the 'Garmi ki Chhutti' campaign featured 'Garmi' characters personifying heat, who are overcome by Virat Kohli switching on a Blue Star Fast Cooling AC. Building on the strong consumer response received, Blue Star extended the campaign for the third consecutive year with a fresh set of commercials. The continuity in communication helped reinforce brand recall and build lasting brand associations among consumers. The campaign delivered strong visibility, particularly across Tier 3, 4, and 5 markets, through simple yet impactful messaging.

Blue Star's commercials were also aired during the Indian Premier League (IPL), enabling extensive reach and high consumer engagement across both metro and non-metro markets. In line with its strategic focus on Hindi-speaking regions, the Company also enhanced its media presence across regional news channels with strong viewership in these markets.

Digital marketing and ecommerce remained key priorities during the year. The Company expanded its digital footprint across its B2C product portfolio, leveraging the increasing consumer preference for digital discovery and engagement. Blue Star advertised extensively across Connected TV (CTV) platforms and mobile applications offering regional content, particularly targeting consumers in Tier 2, 3, and 4 markets where digital adoption continues to rise rapidly.

To drive online sales, Blue Star launched a series of promotional campaigns across leading ecommerce platforms. It also enhanced its performance marketing initiatives through targeted search and display advertising aimed at improving conversion rates and increasing visibility among digitally engaged consumers who research online before purchasing offline. In addition, the Company upgraded its ecommerce-enabled consumer website with enhanced features to support its direct-to-consumer (D2C) growth strategy and deliver a more seamless buying experience.

Beyond mass media and digital outreach, Blue Star also worked towards enhancing brand salience among key influencer communities. The Company participated in several prominent exhibitions and industry forums across the hospitality, architecture, and healthcare sectors, further reinforcing its leadership position and building trust among professional stakeholders.

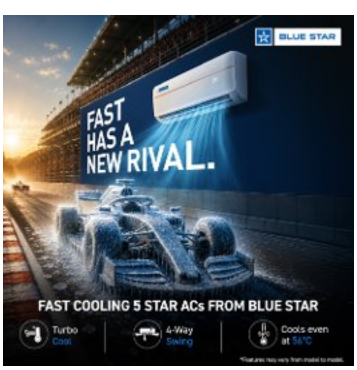
These integrated and multi-channel brand-building initiatives played an important role in enhancing Blue Star's brand equity and expanding its presence across emerging and underserved markets.

The continuity in communication helped reinforce brand recall and build lasting brand associations among consumers

MEDIA CREATIVES

OUTDOOR CREATIVE

DIGITAL CREATIVES



TV COMMERCIAL

GARMI HEIST









AWARDS AND RECOGNITIONS

Vir S Advani, Chairman & Managing Director, was honoured with the prestigious 'Ernst & Young Entrepreneur Of The Year Award 2025' in the Consumer Products and Retail category

Blue Star won the 'Innovative Manufacturer of the Year' award for chillers at the Climate Control Awards 2025 and received an honourable mention in the 'Manufacturer of the Year' category for its VRF systems

The Company received the 'International EHS Award' from the British Safety Council for outstanding Environment, Health and Safety performance across four nominated sites

Blue Star received two recognitions at the ET Edge Supply Chain Management Fest 2025, including the Platinum Winner award for 'Trailblazer in Procurement Transformation Initiatives'

Blue Star was honoured with three awards at the ISCM Procurement Excellence Summit 2025 in the categories of 'Best Supplier Relationship Management', 'Procurement Analytics Excellence' and 'Best Spend Analytics in Logistics'

Blue Star's 'Garmi Ki Chhutti' Room AC campaign won Gold at the Indian Digital Marketing Awards 2025 in the 'Most Effective Use of AI, Data Analytics, and Machine Learning' category

Blue Star's Hard Top Deep Freezer (GAMA Series) won the 'Confederation of Indian Industry Design Excellence Award' in the 'Product Design' category

RISKS AND MITIGATION STRATEGIES

Operating in a dynamic and evolving environment, Blue Star is focused on identifying, assessing, and mitigating risks across its businesses. The Company's comprehensive risk management framework addresses strategic, operational, financial, regulatory, cybersecurity, health and safety, and sustainability risks, enabling business continuity and organisational resilience.

MACRO ENVIRONMENT RISK

The Company's businesses in the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment are cyclical and exposed to a volatile macroeconomic environment. Capital expenditure commitments by customers in the private and public sectors drive the flow of orders in this segment. A prolonged economic slowdown, coupled with global geopolitical developments, may impact the flow of orders and, consequently, the segment's revenue growth. International operations are also exposed to geopolitical risks, including changes in tax regimes and other geopolitical developments.

Mitigation Strategies

The Company closely monitors the key macroeconomic indicators regularly. It explores opportunities in untapped areas in Electro-Mechanical Projects and engages in the development of new products with a focus on profitability and scalability in the Commercial Air Conditioning Systems business. The Company also evaluates strategic risks before venturing into new business segments or geographies. It continues to expand Blue Star's global footprint through the development of products that conform to standards in new geographies, while also diversifying into related product segments.

SEASONALITY RISK

All products in the Company's Unitary Cooling Products segment are seasonal. Unforeseen weather patterns such as extended winter, short summer, below-normal monsoon, excess monsoon or any kind of disruption during the peak selling seasons may impact the Company's planning and forecasting processes, resulting in stock-outs or excess inventory and consequently affecting revenue growth.

Mitigation Strategies

The Company has a well-defined and rigorous process to regularly review and realign its procurement plans, wherever necessary. It also implements ongoing process improvement initiatives to reduce procurement lead times. In addition, the Company has a strategic framework to explore opportunities to expand its portfolio through adjacent product lines and extend its geographical footprint, both domestically and internationally, thereby reducing reliance on seasonal products. The Company also continues to expand its distribution footprint across markets.

SOURCING RISK

Key components in the manufacture of the Company's critical products such as compressors, copper tubes, electronic parts, and inverter drives, are sourced from vendors in China and a few other countries. Any disruption to the supply chain arising from geopolitical developments, the imposition of tariff or non-tariff barriers, or any other global event that restricts imports from China or other countries may significantly impact the Company's ability to import, manufacture, and sell its products. The Company also has strategic dependencies on certain key component suppliers within and outside India. Any disruption to the operations of these suppliers may also impact the Company's ability to manufacture and supply its products seamlessly.

Mitigation Strategies

The Company has a well-defined review mechanism to identify dependencies on a single country or vendor for key components required for the manufacture of its products. It regularly takes steps to diversify procurement through alternative and indigenous sources, while also identifying opportunities for backward integration. The Company also explores opportunities to establish contractual arrangements with contract manufacturers who can produce on its behalf during periods of supply chain disruption or other stressed scenarios.

COMPETITION RISK

Several Indian and global players in the air conditioning business are expanding their manufacturing facilities in India to tap the underpenetrated market. Such players could resort to predatory pricing practices to capture market share, leaving the Company vulnerable to a significant loss of business, while also diluting margins and profitability. Consumer buying behaviour may also evolve with the continued growth of e-commerce platforms.

Mitigation Strategies

The Company is diversified across product categories at various price points. It has also strengthened its strategic tie-ups with key e-commerce players. The Company places increased emphasis on expanding its presence in Tier 3, 4, and 5 cities by offering products across various price points. It continues to focus on rationalising costs across the value chain through the Total Cost Management (TCM) framework, without compromising on quality and reliability, to maintain its competitive position across all customer segments and price points. The Company also continuously explores technological advancements, keeping customer preferences in mind while developing products, thereby creating a strategic advantage over its competitors.

PROFITABILITY RISK

The Company's profitability may be adversely impacted by volatility in commodity prices, increases in input costs or freight costs, coupled with limitations in timely cost pass-through and dependence on scale efficiencies.

Mitigation Strategies

The Company's businesses are supported by established policies and commercial guidelines to manage volatility in commodity prices and other input costs, along with robust due diligence mechanisms to mitigate credit default risks. The Company also continues to re-engineer its commercial and contract management practices, while regularly reviewing operating costs to enhance the resilience of its cost structure. In addition, a robust Commodity Risk Management Policy supports the continuous review and hedging of commodity exposures.

CURRENCY RISK

The Company's operations are subject to risks arising from fluctuations in exchange rates in the countries in which it operates or sources its raw materials.

Mitigation Strategies

The Company has a robust Foreign Exchange Risk Management Policy and processes in place to review and hedge currency exposures on an ongoing basis.

HEALTH AND SAFETY RISK

The Company's human resources (including those of its extended arms, such as subcontractors, channel partners, and associates) are exposed to health and safety risks in the normal course of business.

Mitigation Strategies

The Company 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 programmes, the effectiveness of which is tested through safety audits at project sites and mock drills at all establishments. The Company has also obtained ISO 45001 certification for all its manufacturing facilities, revamp business, and electrical facility management activities at operating sites.

BUSINESS CONTINUITY RISK

The Company's operations may be significantly disrupted, and its financial condition, cash flows, and profitability could be adversely affected by any of the following events:

- Prolonged market, supply chain, demand or operational disruptions caused by any global event, resulting in the full or partial shutdown of the Company's business or operating activities across all or certain parts of India, or in any of the global markets where the Company or any of its subsidiaries, associates, or affiliated business entities operate.
- The occurrence of natural disasters or accidents, including hurricanes, floods, earthquakes, tornadoes, fires and explosions, as well as man-made disasters, including acts of terrorism, war, and military action.

Mitigation Strategies

The Company has a Business Continuity Management Systems Policy in place and has also formulated Standard Operating Procedures with well-defined recovery and restoration objectives to keep its manufacturing and other critical processes operational and continue serving the needs of customers providing essential services during a crisis. All the businesses and support functions of the Company have processes in place to carry on operations for a reasonable period through remote monitoring and controls.

The Company continuously works to reduce dependencies on single-source vendors, countries, or logistics corridors by developing multi-vendor and multi-geography sourcing strategies.

The Company has created operational redundancy through multiple manufacturing locations and contract manufacturing arrangements, wherever feasible.

CYBERSECURITY RISK

The business activities of the Company are supported by extensive IT systems. Any major disruption to, or failure of, these systems due to a cyber-attack could adversely impact its operations.

Mitigation Strategies

The Company has established a framework to elevate awareness and understanding of cybersecurity amongst key stakeholders, such as employees through sessions and simulation-based testing, and vendors, dealers, and other business partners through training, mock simulations, and structured communication mechanisms. The Company ensures that the IT infrastructure is periodically assessed and probed for any vulnerabilities, and contingencies are revalidated based on current threats. The Company has in place a cyber-insurance policy to protect its data from unauthorised software, computer code, third-party data, and wrongful appropriation of network access code. It also has a set of policies and procedures to ensure compliance with rules and guidelines related to information security.

REGULATORY AND COMPLIANCE RISK

Regulatory compliance often impacts business operations if the Company is not proactive in diligently identifying and adhering to compliance requirements. The Company's product businesses are subject to evolving technologies, significant technological developments, and a wide range of regulatory requirements. Emphasis on the use of eco-friendly refrigerants and the collection and eco-friendly disposal of e-waste are some of the specific requirements with which the Company is required to adhere to. Other key regulatory requirements include compliance with the Competition Commission of India's norms relating to dedicated dealerships; BEE rating norms; QCO norms; and statutory requirements relating to Labour Laws, Environmental Laws, Factory Laws, Competition Laws, PF Laws, Insider Trading, and listing requirements, amongst others.

Mitigation Strategies

The Company ensures complete adherence to regulatory compliances. It has built a strong compliance culture and an agile and automated compliance management system. It has adopted automated legal metrology label printing to prevent instances of non-compliance and related prosecution. In addition, the Company has entered into a comprehensive agreement with its dealers that complies with competition law. The Company follows a structured approach towards any changes in the BEE ratings and ECBC norms to identify and implement necessary changes across its product range. The Company also has a process to ensure that its joint venture entities and foreign subsidiaries adhere to the compliances as may be applicable in the geographies in which they operate.

ENVIRONMENTAL RISK

As the global environmental crisis worsens, stricter regulations regarding the usage and emission of greenhouse gases and energy conservation may result in increased compliance costs for the Company. Failure to comply with these regulations and delays in responding to them could obstruct product sales and disrupt business operations.

Mitigation Strategies

The Company is committed to preventing environmental pollution by complying with regulations and implementing voluntary sustainability measures. The Company designs and promotes energy-saving and energy-efficient air conditioners with a lower global warming potential. The Company has taken several steps to conserve energy and optimise alternate sources of energy, thereby reducing its carbon footprint. To further enhance its efforts in this direction, the Company is exploring additional renewable energy technologies, while other technological advancements are in the pipeline for evaluation and implementation.

STRATEGIC PLANNING AND DEVELOPMENT

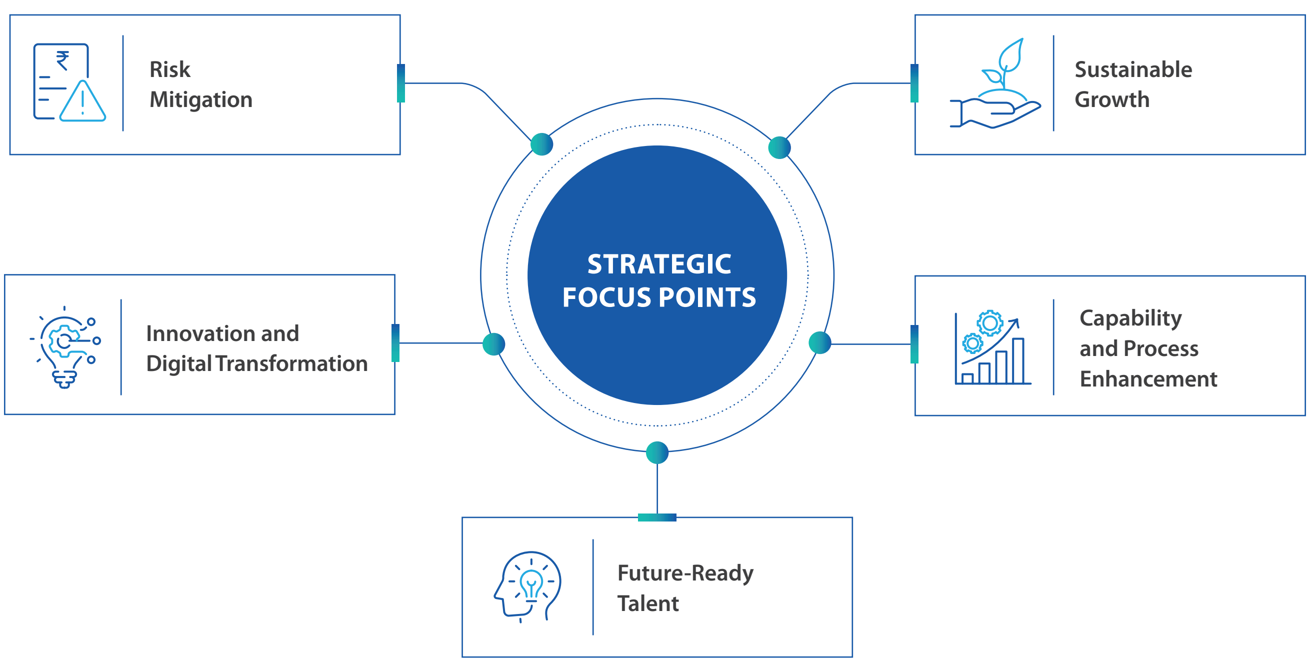
Blue Star's strategic roadmap provides a clear framework for sustaining growth, strengthening capabilities, and enhancing organisational agility. Through Blue Star@85, the Company remains focused on disciplined execution and technology-led transformation, while continuing to create long-term value and adapt to evolving market dynamics.

Blue Star's response to the evolving market landscape has been anchored in strategic clarity and focused execution. The Company's three-year strategic roadmap, Blue Star@82, guided its growth and transformation journey through FY26. Building on this foundation, and marking the completion of its 82nd year, the Company has launched Blue Star@85, extending its strategic vision through FY29.

Rooted in the Company's core values, the new roadmap outlines clear and measurable goals across the organisation. Its key priorities include strengthening core capabilities, proactively addressing competitive challenges, building future-ready skills, enhancing processes, and integrating advanced technologies. The roadmap also identifies targeted investments to support the Company's long-term growth ambitions.

To drive execution across businesses and functions, the Company has established a Strategic Implementation Framework (SIF). Based on the principles of the Balanced Scorecard, the framework maintains a strong focus on financial performance, operational excellence, systems, people, and innovation.

The roadmap is communicated across the organisation through town hall meetings, cascade sessions, informal interactions, and various internal forums to ensure alignment at every level. Regular and structured reviews against defined milestones form an integral part of the framework, enabling the Company to reassess business assumptions, evaluate market positioning, and refine strategies, wherever necessary. Several strategic initiatives aligned with this roadmap are already underway, supporting sustained growth, operational agility, and long-term value creation.



STRATEGY REVIEW

STRATEGY REVIEW

Analysis of External Environment

- Macro Business Environment
- Competitive Landscape
- Emerging Market Trends
- Changing Customer Preferences
- Technology Advancements
- Regulatory Environment

Review of existing systems, processes, infrastructure and capabilities vis-á-vis emerging business landscape

STAKEHOLDER PARTICIPATION

Top Management

Cross-Functional Deliberations

Strategy Development → **Building a 3-year Strategic Plan** →

The Company follows a bottom-up approach with deeper engagement and participation by all businesses and functions, reflective of a strong collaborative culture to drive successful execution.

Key Milestones Strategic Plan

- Financial Performance
- Capital Investments
- Strengthening Systems and Processes
- Acquiring New Capabilities
- Developing Human Capital

SIF for each business and function with a well-articulated focus

- Financials
- Processes and Systems
- People
- Innovation

Strategy Deployment → **Strategic Implementation Framework (SIF)** →

The strategic plan is thoroughly cascaded to all levels of the Company by way of

- Town Hall Meetings
- Talk over Tea Sessions
- KRA & Cascade Sessions
- Periodic Reviews

Corporate Planning → Business & Function Heads along with their Senior Management Team

AMPLE OPPORTUNITIES

Blue Star is well-positioned to capitalise on growth opportunities across both consumer and commercial segments, driven by rising demand for cooling solutions, expanding infrastructure and data centre investments, growth in cold chain applications, increasing adoption of energy-efficient technologies, and India's emergence as a manufacturing hub for HVAC products.

Blue Star's integrated business model positions the Company strongly to deliver innovative products, solutions, and superior services, while effectively addressing the following trends, and capturing growth opportunities across diverse markets.

Rising disposable incomes, rapid urbanisation, lower GST rates, and improved access to consumer financing are accelerating room air conditioner adoption and driving the transition of ACs from discretionary purchases to essential household appliances, particularly in Tier 3, 4, and 5 towns.

India's emergence as a global HVAC manufacturing hub, supported by PLI-led investments, import restrictions on China, localisation initiatives, and integration with global OEM ecosystems, is strengthening its position in the global air conditioning market. This trend also presents significant potential for the Company to leverage its manufacturing capabilities and expand its international presence.

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

Changing food consumption patterns, the rapid growth of quick commerce, and increasing demand from the retail, hospitality, and healthcare sectors are driving expansion in the cold chain industry, thereby strengthening demand for energy-efficient commercial refrigeration products and solutions.

Growth in data centres, including hyperscale and colocation facilities, along with the Government's 'Make in India' initiative, is generating significant MEP opportunities and increasing demand for precision, mission-critical and energy-efficient cooling solutions across commercial and industrial segments.

The Government's increasing focus on carbon neutrality and decarbonisation, in line with Net Zero targets, is accelerating demand for energy-efficient and high-performance solutions. The Company remains well-positioned to benefit from the growing adoption of green buildings and sustainable cooling technologies.

ESG PRACTICES

The Company advanced its sustainability agenda through initiatives focused on environmental stewardship, resource efficiency and responsible business practices across its operations and value chain. Efforts included energy optimisation, renewable energy adoption, emissions management, water conservation, circular economy practices, workplace safety, community development and strengthened governance frameworks. These initiatives reinforced the Company's commitment to embedding ESG considerations into its operations and long-term value creation.

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

ENVIRONMENT

Blue Star strengthened its environmentally-conscious operating practices through responsible resource management, renewable energy adoption, and operational efficiency initiatives. The Company remains focused on reducing its environmental footprint while supporting sustainable growth across its businesses.

During the year, energy consumption increased by 18.2%, reflecting business growth and expanded operations. Renewable electricity consumption also increased by 4.6%, supporting the Company's transition towards cleaner energy sources. Scope 1 emissions increased primarily due to expanded reporting boundaries following inclusion of fugitive emissions, resulting in a more comprehensive greenhouse gas inventory. Scope 2 emissions increased by 9.8%.

Renewable energy accounted for approximately 16% of total electricity consumption across manufacturing facilities, supported by an installed solar capacity of 7.2 MWp. These initiatives have contributed to cumulative avoided emissions of over 10700 tCO_2e between FY24 and FY26.

Initiatives Undertaken by the Company

- Renewable energy contribution of ~16% supported by 7.2 MWp solar capacity
- Miyawaki forest developed at Sri City Plant
- Installation of heat pump systems at Wada Plant improving heating efficiency and reducing energy consumption
- Rooftop solar installations and daylight optimisation across facilities
- Replacement of low-pressure air compressors resulting in improved energy efficiency
- Retrofit of energy-efficient pumps across production processes
- Integration of oxygen plant with centralised compressed air network
- Installation of HVLS and EC fans across manufacturing facilities
- Deployment of Variable Frequency Drives (VFDs) across key equipment

Key energy efficiency initiatives delivered significant operational savings, including heat pump installation at a plant in Wada, resulting in ~50% reduction in heating time and annual energy savings of 142956 kWh. Compressor optimisation improved specific energy consumption by 26%, while oxygen plant integration contributed savings of 32400 kWh. VFD installations delivered over 60000 kWh savings annually, HVLS fans achieved 14577 kWh savings, EC fan retrofits resulted in ~58000 kWh savings, and pump retrofits at Dadra delivered ~160000 kWh annual savings.

The Company continues to adopt circular economy principles through waste reduction, recycling, and resource recovery initiatives. Under Extended Producer Responsibility (EPR) programmes, recycling of plastics and e-waste was further strengthened during the year. Organic waste composters installed across office locations convert canteen waste into manure for landscaping use, supporting circular resource management.

Water conservation remains a key focus area supported by aerators, sensor-based fixtures, rainwater harvesting systems and wastewater treatment infrastructure across facilities, enabling improved water-use efficiency.

The Company currently has six establishments certified as green buildings, with select manufacturing facilities progressing towards GreenCo certification. Sustainability considerations continue to be embedded in facility design and operations.

CO_2

Scope 1 emissions increased by 54.6%

SOCIAL

Blue Star is committed to fostering a safe, inclusive, and productive workplace while promoting employee development and well-being across its operations.

During FY26, employee workforce increased by 3.4%, while the worker base increased by 204.8%, driven by expanded reporting coverage including contractual workers deployed at project sites based on CLRA filings, thereby improving visibility across the extended workforce.

Employee workforce increased by 3.4%

The Company is also strengthening its Environment, Health, and Safety (EHS) framework through ISO 45001-aligned systems, regulatory compliance and governance oversight by the Apex Safety Council. Focused initiatives on safety awareness, proactive reporting, stakeholder engagement and continuous improvement have contributed to improved safety outcomes, including a 35.3% reduction in the Lost Time Injury Frequency Rate (LTIFR) of workers during the year.

CSR initiatives were focused on skill development, education, health, hygiene and wellness programmes across communities surrounding manufacturing facilities. During FY26, CSR focus areas were further expanded to include environmental sustainability initiatives implemented in partnership with NGOs.

GOVERNANCE

Blue Star maintains a robust governance framework supported by its Code of Conduct, whistleblower mechanism and structured oversight systems that promote ethical conduct, transparency, and accountability across the organisation.

During FY26, the Company reported zero cases of bribery or corruption involving directors, Key Managerial Personnel, employees or workers, reinforcing its commitment to ethical business practices.

The Company's cybersecurity and digital governance framework was further strengthened through expert-led assessments and implementation of corrective actions aimed at enhancing cyber resilience. One data breach was reported during the year; no personally identifiable customer information was compromised, and corrective measures were implemented.

In line with SEBI BRSR requirements, the Company conducted an ESG assessment of its value chain partners covering significant upstream and downstream entities. The coverage was expanded from approximately 30% to 46% of purchases, supported by structured engagement, training programmes and ESG capability-building initiatives for partners.

Value chain ESG coverage expanded to 46% (from nearly 30%)

WAY FORWARD

Looking ahead, Blue Star intends to build on FY26's stronger reporting completeness and assured disclosures by accelerating practical decarbonisation levers (including refrigerant and energy efficiency initiatives), scaling renewable energy adoption, enhancing circularity through higher recovery and recycling outcomes, and deepening contractor safety capabilities across project sites. The Company remains committed to continuously evolving its ESG strategy and execution in line with stakeholder expectations and emerging best practices, while maintaining a balanced focus on growth, resilience and long-term value creation.

Blue Star ensures proactive and forward-looking implementation of sustainability measures across products and services by remaining ahead of evolving regulatory and industry benchmarks. This shall include continuous compliance with, and advancement beyond, applicable energy efficiency norms; ongoing evaluation and adoption of greener and low-GWP refrigerants; strict adherence to e-waste management regulations; and sustained investment in technologies that promote product life extension, retrofit, refurbishment, and circularity. In furtherance of the above, the Company shall identify, evaluate, and undertake dedicated projects and initiatives aimed at advancing sustainable product design, improving lifecycle performance, reducing environmental footprint, and fostering innovation in resource efficiency and responsible end-of-life management.

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 78th Annual Report, together with the audited financial statements for the financial year ended March 31, 2026.

COMPANY OVERVIEW

Your Company offers one of India's widest range 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 speciality 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, 2026, are summarised as follows:

(₹ in crores)

Particulars	Consolidated		Standalone	
	For the year ended		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue from operations	12,401.99	11,967.65	11,779.23	11,325.75
Total Income	12,463.90	12,042.65	11,834.17	11,387.33
Total Expenses	11,722.52	11,268.90	11,274.52	10,737.40
Profit before share of profit of Joint Venture, exceptional items and tax	741.38	773.75	559.65	649.93
Share of profit of Joint Venture	0.56	(1.33)	NA	NA
Exceptional Items	(38.83)	12.51	(37.19)	-
Profit before tax	703.11	784.93	522.46	649.93
Income tax	(175.78)	(193.65)	(137.36)	(165.03)
Profit after tax	**527.33**	**591.28**	**385.10**	**484.90**

OPERATING RESULTS

FY26 was a challenging year with multiple external headwinds that impacted business performance across segments. While the Unitary Products segment was adversely affected by unfavourable weather conditions resulting in subdued consumer demand, the Company benefited from strong growth in its International Business and resilient performance in the Electro-Mechanical Projects and Commercial Air Conditioning business enabling it to deliver modest overall revenue growth.

Notwithstanding near-term market challenges, the Company remained focused on its long-term strategic priorities through sustained investments in manufacturing capacity, research and development, sales and distribution expansion, digital transformation, talent development, and capability enhancement. These investments reinforce the Company's commitment to strengthen its market position, enhancing operational scalability, and driving sustainable long-term value creation.

On a consolidated basis, revenue from operations for the current financial year grew by 3.62% to ₹ 12,401.99 crores as compared to ₹ 11,967.65 crores in the previous financial year. Your Company's consolidated Total Income in the current financial year stands at ₹ 12,463.90 crores. Net profit before exceptional items and tax (including share of profit of Joint Venture) for the current financial year stood at ₹ 741.94 crores reflecting a decline of 3.95% as compared to ₹ 772.42 crores in the last financial year. During the current financial year, pursuant to the notification of Labour Codes and as required by the ICAI Guidance Note, the Company had, on an estimated basis, recognised the incremental impact of Gratuity and Leave Encashment amounting to ₹ 56.35 crores for the period ended on December 31, 2025, and was shown as an

Exceptional Item. Consequently, the net profit after exceptional items and tax declined by 10.81% to ₹ 527.33 crores as compared to ₹ 591.28 crores in the previous financial year.

On a standalone basis, revenue from operations grew by 4% to ₹ 11,779.23 crores as compared to ₹ 11,325.75 crores in the previous year. Your Company's standalone net profit before exceptional items and tax for the current financial year stood at ₹ 559.65 crores as compared to ₹ 649.93 crores in the previous financial year, while the net profit after exceptional items and tax declined to ₹ 385.10 crores as compared to ₹ 484.90 crores in the previous year.

The Group operates through three business segments: (i) Electro-Mechanical Projects and Commercial Air Conditioning Systems; (ii) Unitary Products; and (iii) Professional Electronics and Industrial Systems. The performance of the segments during the year under review is summarized below:

I. Electro-Mechanical Projects and Commercial Air Conditioning Systems

a. Electro-Mechanical Projects Business

The Projects business witnessed healthy order inflows from the data center and factories sector, while the order inflow from buildings and infrastructure sectors remained subdued. The outlook for FY27 remains encouraging driven by sustained demand from data center investments and broad based manufacturing expansion cycle.

As part of its disciplined capital allocation strategy, the Company continues to adopt a selective approach towards order acquisition. Consequently, the carried-forward order book stood at ₹ 4,664 crores as of March 31, 2026, compared with ₹ 4,755 crores in the previous year.

b. Commercial Air Conditioning Systems

The Commercial Air Conditioning business recorded modest revenue growth during the year. However, the margins for the business were impacted due to input cost inflation . Your Company continues to maintain its leadership position in Ducted Air-conditioning Systems and a formidable position in VRFs and Screw Chillers.

With enhanced and strengthened product portfolio and focused market interventions, the Company remains well positioned to further expand its market presence and capture growth opportunities.

c. International Business

The International Business delivered a strong performance during the year, and played an important role in mitigating the impact of subdued demand due to unfavorable weather conditions and other uncertainties across domestic businesses. Geopolitical uncertainty, including tariff-related uncertainties continue to pose challenge in the US market where the long-term prospects though encouraging, are expected to be influenced by the outcome of the proposed India-US trade deal.

The Company's strategic expansion into international markets continues to gain momentum. Your Company's supplies to Europe commenced during the Financial Year, and the Company remains optimistic about the growth opportunities across key global markets.

Revenue in this segment for the year grew by 12.75% to ₹ 6,762.80 crores as compared to ₹ 5,997.99 crores in the previous year. The segment result grew 2.25% to ₹ 501.91 crores as compared to ₹ 490.88 crores in the previous year.

II. Unitary Products

a. Cooling and Purification Products Business

In FY26, the Cooling and Purification Products business experienced a challenging year due to unfavourable weather conditions which adversely impacted consumer demand. In the last quarter of the financial year the business witnessed reasonable growth with channel partners across regions stocking up for the summers.

While the business remains inherently weather dependent, the Company is focused on driving growth through enhanced product portfolio, deeper market penetration and continued expansion of its distribution network.

b. Commercial Refrigeration Business

Demand across Deep Freezer and Modular Cold Room categories remained muted due to subdued activity in frozen food and quick service restaurant segments. However, the Storage Water Coolers witnessed double digit growth driven by strong demand from the government and corporate sectors.

The Company continued to maintain leadership position in Deep Freezers, Storage Water Coolers and Modular Cold Rooms.

Reflecting the impact of unfavourable weather conditions and muted demand for refrigeration products, the segment revenue declined to ₹ 5,332.36 crores in FY26 as compared to ₹ 5,621.11 crores in the previous year, a drop of 5%. Segment results declined by 7.73% to ₹ 434.82 crores, compared to ₹ 471.26 crores in FY25.

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

The Med-Tech Solutions business continued to face uncertainty arising from evolving regulatory framework resulting in the business slowing down during the Financial Year. However, Industrial Solutions business recorded decent growth driven by demand from the automotive and steel sector, and the Data Security Solutions also maintained a steady performance.

The segment revenue for the year declined by 12% to ₹ 306.83 crores as against ₹ 348.55 crores in the previous year. However, the segment result grew by 17.4% to ₹ 34.89 crores as compared to ₹ 29.72 crores in the previous year primarily driven by focused cost optimization and operational efficiency initiatives.

DIVIDEND

The Board at its meeting held on May 6, 2026, has recommended a final dividend of ₹8.5 per Equity Share of face value of ₹2 each for the financial year ended March 31, 2026. This dividend will be paid subject to the approval of the members at the Annual General Meeting to be held on August 6, 2026, to those members whose names appear in the list of Beneficial Owner/Register of Members as on the record date, i.e. July 17, 2026.

The Board has adopted the Dividend Distribution Policy for the Company. During the year, the Dividend Distribution Policy was amended to broaden the scope of permissible uses of retained earnings.

The Dividend Distribution Policy can be viewed on the website of the Company at: https://www.bluestarindia.com/media/104569/dividend-distribution-policy.pdf

FINANCING

During this year, on a consolidated basis the finance cost increased to ₹ 72.14 crores as compared to ₹ 48.80 crores in the previous year primarily due to higher average borrowings levels utilized to support enhanced working capital requirements.

The Company's forex cost declined to ₹ 4.78 crores for the year as compared to ₹ 11.83 crores in the previous year. FY26 witnessed heightened currency volatility especially in the second half of the year, which increased the forex cost of imports. However, your Company benefitted from higher exports compared to previous year as it helped pare the forex cost.

Your Company continues to monitor 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 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 of Blue Star E&E for the year ended March 31, 2026, was ₹ 310.55 crores, as against its previous year's revenue of ₹ 353.66 crores. The subsidiary achieved a net profit of ₹ 37.61 crores for the year under review, as against previous year's net profit of ₹ 40.17 crores.

b. Blue Star Climatech Limited

Blue Star Climatech Limited is a wholly owned subsidiary of the Company. It was a material subsidiary under the Listing Regulations for financial year 2025-26. 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 10.50 lakh units of split air-conditioners. 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, 2026, was ₹1,509.31 crores as compared to previous year's revenue of ₹1,484.24 crores. The subsidiary achieved a net profit of ₹67.01 crores for the year under review, as against previous year's net profit of ₹61.52 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, 2026, was ₹293.80 crores and ₹10.29 crores as compared to ₹331.48 crores and ₹5.89 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, 2026, was ₹161.73 crores and ₹6.63 crores as compared to ₹155.51 crores and ₹4.52 crores 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.

Revenue from operations of this company for the year ended March 31, 2026, was ₹131.72 crores as compared to previous year's revenue from operations of ₹173.88 crores. This company has generated a net profit of ₹3.90 crores for the year ended March 31, 2026, as compared to a net profit of ₹ 2.70 crores in the previous 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 & Contracting Co., 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, 2026, was ₹ 64.47 crores as compared to ₹ 67.31 crores in the previous financial year. This company incurred Net Loss for the year ended March 31, 2026, of ₹ 7.28 crores as compared to net profit of ₹ 0.80 crores in the previous year.

The Company's Board of Directors at its meeting held on May 6, 2026, granted its in-principle approval for acquisition of 51% of the shares held by Al Malki Trading & Contracting Co. in Blue Star Qatar W.L.L. The Board authorised Executive Management Committee of the Company to negotiate and finalise the contours of the acquisition at a face value, subject to the fair market valuation, and the total consideration for the acquisition not exceeding ₹ 50 lakhs.

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

BSL AC&R (Singapore) Pte. Ltd., is 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, 2026, was ₹ 0.36 crores as compared to previous year's revenue of ₹ 2.09 crores. This subsidiary incurred a net loss of ₹ 0.24 crores for the year ended March 31, 2026, as compared to net loss of ₹ 0.09 crores in the previous financial year.

g. Blue Star North America Inc.

Blue Star North America Inc., incorporated in the State of Delaware, is 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, 2026, was ₹ 619.50 crores as compared to previous year's revenue of ₹ 333.10 crores. Net profit for the year ended March 31, 2026, was ₹ 34.28 crores as compared to net profit of ₹ 15.34 crores in the previous financial year.

h. Blue Star Europe B.V.

Blue Star Europe B.V., incorporated in Netherlands, Europe, is 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 equipments for OEM brands in the European market.

Revenue from operations of this subsidiary for the year ended March 31, 2026, was ₹ 57.28 crores as compared to previous year's revenue of ₹ 7.73 crores. Net profit for the year ended March 31, 2026, was ₹ 0.20 crores as compared to net loss of ₹ 10.23 crores in the previous financial year.

i. **Blue Star Innovation Japan LLC**

Blue Star Innovation Japan LLC incorporated in Japan is 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, 2026, was ₹ 9.25 crores as compared to ₹ 7.55 crores in the previous year. Net Loss for the year ended March 31, 2026, was ₹ 0.64 crores as compared to net profit of ₹ 0.27 crores in the previous financial year.

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

Blue Star Air Conditioning & Refrigeration (U) Limited is a wholly owned subsidiary of Blue Star International FZCO. This subsidiary is incorporated in Uganda 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, 2026 and March 31, 2025. It incurred a nil profit for the year ended March 31, 2026, as compared to net loss ₹ 1.26 crores 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, 2026, was ₹ 23.5 crores as compared to ₹ 62 crores in the previous financial year. It made a net profit of ₹ 2.8 crores for the year ended March 31, 2026, as compared to net loss of ₹ 4.4 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 arbitration proceedings were concluded in the later half of the financial year. The final award from the International Chamber of Commerce is awaited.

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

As part of its commitment to delivering future-ready solutions, the Company advanced its product portfolio while investing in research and development capabilities. It commissioned state-of-the-art performance test laboratories at the Ashok M Advani Innovation Centre, Bhiwandi, for testing air-to-air and air-to-water heat pumps in line with Indian, European, and American standards.

During FY26, the Company introduced several new products and upgraded existing platforms across its businesses. In the room air-conditioner segment, it launched the premium ICONIA series, developed new indoor unit platforms as part of its localisation and import-substitution strategy, and expanded its air cooler portfolio. In commercial air conditioning, the Company introduced the VRF VI Plus series, new-generation 1-Way Cassette units, and energy-efficient inverter ducted systems featuring IoT-enabled connectivity and low-GWP refrigerants.

The Company also expanded its commercial refrigeration portfolio through energy-efficient deep freezers and enhanced cold room refrigeration solutions, while introducing a new range of brine chillers for process and pharmaceutical applications. Further, it commenced supplies of R290-based air-to-water heat pumps in Europe and completed the development of new heat pump solutions for residential applications.

Blue Star continued to invest in cutting-edge laboratories, specialised talent, digital engineering tools, and collaborative research initiatives. During the year, the Company filed 12 new patent applications, reinforcing its focus on innovation-led and sustainable growth. 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 was felicitated with many prestigious awards for excellence in its areas of business. For detailed information on the same, please refer to the 'Awards and Recognitions' section of the Integrated Report.

DIRECTORS

Board

As on 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, Rajiv R Lulla (DIN: 06384402), 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 Rajiv R Lulla is annexed to the notice convening Annual General Meeting.

Appointment of Director:

During the year, based on the recommendations of the Nomination and Remuneration Committee, the following Directors were appointed by the Board:

A. **Managing Director -** B Thiagarajan's (DIN: 01790498) current term was set to conclude this fiscal year. Accordingly, he was re-appointed as the Managing Director of the Company for a further term commencing from April 1, 2026 to May 24, 2027, not liable to retire by rotation, vide Ordinary Resolution passed by the Members through Postal Ballot on March 31, 2026.

B. **Executive Director -** Mohit Sud (DIN: 10034070), as an Executive Director - Unitary Cooling Products Group and Key Managerial Personnel of the Company, liable to retire by rotation, for a period commencing from April 1, 2026 to March 31, 2031, vide Ordinary Resolution passed by the Members through Postal Ballot on March 31, 2026.

C. **Independent Director -** M S Unnikrishnan (DIN: 01460245) as an Independent Director of the Company for a term of five consecutive years commencing from January 29, 2026 to January 28, 2031, vide Special Resolution passed by the Members through Postal Ballot on March 31, 2026.

Resignation/Cessation of Director:

A. **Executive Director -** Ponnada Venkata Rao (P V Rao) (DIN: 09177075) tendered his resignation as the Executive Director – Projects, Solutions & International of the Company with effect from February 28, 2026, owing to personal reasons.

B. **Independent Director -** Sam Balsara (DIN: 00076942) ceased to be an Independent Director of the Company with effect from January 31, 2026, upon completion of his second term as an Independent Director.

C. **Independent Director -** Arvind K Singhal (DIN: 00092425) has submitted his resignation as an Independent Director of the Company on April 30, 2026, with effect from May 30, 2026, due to his pre-occupation with the current and some new professional commitments.

The Board has placed on record its deep appreciation of the invaluable services rendered by P V Rao, Sam Balsara and Arvind K Singhal during their tenure as Directors of the Company.

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.

Further, the Board, while considering the appointment of Independent Director mentioned above, based on the declarations/disclosures submitted, concluded that the Independent Director is a person of integrity and possess the relevant expertise and experience (including proficiency) to qualify as an Independent Director of the Company and is independent of the Management.

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
P V Rao*	Executive Director - Projects, Solutions & International
Mohit Sud**	Executive Director - Unitary Cooling Products Group
Nikhil Sohoni	Group Chief Financial Officer
Rajesh Parte	Company Secretary & Compliance Officer

**Resigned as an Executive Director - Projects, Solutions & International with effect from February 28, 2026.*

*** Appointed as an Executive Director - Unitary Cooling Products Group with effect from April 1, 2026.*

BLUE STAR EMPLOYEES STOCK OPTION SCHEME – 2024 ('ESOP 2024')

During the year under review, no changes were made to ESOP 2024, and the Scheme remains in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and the resolutions passed by the Members in this regard.

The certificate from the Secretarial Auditors certifying that the ESOP 2024 has been implemented 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 disclosures required under Regulation 14 read with Part F of Schedule I of the 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, 2026, 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, 2026, and of the profit of the Company for the period April 1, 2025 to March 31, 2026;
- 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, 2026, 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, 2026, the Audit Committee comprises three Independent Directors viz. Anil Harish (Chairman), Arvind K Singhal and G Murlidhar. B Thiagarajan ceased to be a member of the Committee with effect from January 29, 2026.

Pursuant to movement of Arvind K Singhal, Independent Director, M S Unnikrishnan, Independent Director and Rajiv R Lulla, Non-Executive Director were appointed as Members of the Committee with effect from May 6, 2026.

In accordance with the circular dated January 7, 2026 issued by the National Financial Reporting Authority, the Board, on the recommendation of the Audit Committee, and in consultation with the Statutory Auditors, approved the framework to ensure effective two-way communication between Those Charged with Governance and the Statutory Auditors.

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 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, 2026, the Nomination and Remuneration Committee comprised two Independent Directors viz. Anita Ramachandran (Chairperson) and Vipin Sondhi and one Non-Executive Director, Dinesh N Vaswani.

Pursuant to movement of Sam Balsara, Independent Director and Chairperson of the Committee, Anita Ramachandran, Independent Director was elected as the Chairperson of the Committee in his place and Vipin Sondhi, Independent Director was appointed as a member of the Committee with effect from January 29, 2026.

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, 2026, the Committee comprised of Arvind K Singhal (Chairman) and two Non-Executive Directors viz. Rajiv R Lulla, and Sunaina Murthy.

Pursuant to movement of Arvind K Singhal, the Committee was re-constituted with Dinesh N Vaswani, Non-Executive Director appointed as the Chairman and Anil Harish, Independent Director was appointed as a member of the Committee with effect from May 6, 2026. Further, Rajiv R Lulla, Non-Executive Director ceased to be a member of the Committee with effect from May 6, 2026.

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 part of this Annual Report.

RISK MANAGEMENT COMMITTEE

As on March 31, 2026, the Risk Management Committee comprises of one Executive Director viz. Vir S Advani (Chairman), one Independent Director, Anil Harish and one Non-Executive Director, Rajiv R Lulla. B Thiagarajan ceased to be a member of the Committee with effect from January 29, 2026.

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 forms part of this Annual Report and in the standalone financial statement in Note No. 43.

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

As on March 31, 2026, the CSR & ESG Committee comprises one Non-Executive Director, Sunaina Murthy (Chairperson) and two Independent Directors, Anita Ramachandran and M S Unnikrishnan.

B Thiagarajan ceased to be the Chairman and member of the Committee with effect from January 29, 2026 and in his place Sunaina Murthy, Non-Executive Director was elected as the Chairperson of the Committee and M S Unnikrishnan was appointed as a member of the Committee with effect from January 29, 2026.

During the year under review, the Company's total CSR obligation was ₹ 9.96 crores. As per the provisions of the Act, two percent of its average net profits made during the three immediately preceding financial years was ₹ 10.31 crores from which set-off for the excess CSR spent of ₹ 0.35 crores of FY25 was adjusted.

The Company has spent an amount of ₹ 10.21 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 ₹ 0.24 crores towards CSR obligation of FY27. No amount has been transferred to the Unspent Corporate Social Responsibility Account in accordance with the provisions of Section 135(6) of the Act.

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 15, 2026, and the Board at its meeting held on January 29, 2026, 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 27, 2026. 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 29, 2026, and by the Board of Directors at its meeting held on May 6, 2026. 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.

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	II
	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	The percentage increase in remuneration, if any, in the financial year
Non-Executive Directors		
Anil Harish	3.04	-5.77
Rajiv R Lulla	2.83	-4.21
G Murlidhar	3.02	-2.03
Sunaina Murthy	2.87	-2.81
Anita Ramachandran	3.08	-2.63
Arvind K Singhal	3.10	-3.86
Vipin Sondhi	3.37	18.87
Dinesh Vaswani	2.91	-4.09
M S Unnikrishnan*	0.56	-
Executive Directors / Managerial Personnel**		
Vir S Advani	126.96	-10.00
B Thiagarajan	102.75	-9.80
Group Chief Financial Officer		
Nikhil Sohoni**	-	18.62
Company Secretary & Compliance Officer		
Rajesh Parte** &	-	7.47

**Appointed as an Independent Director with effect from January 29, 2026. Hence, percentage increase in remuneration is not reported.*

***The percentage increase for KMPs is based on fixed and variable remuneration (of FY25) received in FY26 whereas for managerial personnel it is for FY26.*

& Excludes ₹3.65 lakhs of ESOPs exercised during the year.

III	The percentage increase in the median Remuneration of employees in the financial year		0.30
IV	The number of permanent employees on the rolls of Company		3,652
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	4.41
		Average increase made in salaries to Managerial Personnel	-9.90
		Exceptional circumstances for an increase to Managerial Personnel	Not Applicable
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 part of this Annual Report.

VIGIL MECHANISM

The Company is committed to conducting its business with the highest standards of ethics, integrity, and transparency across its operations, while ensuring full compliance with all the applicable laws and regulations. In line with a strong commitment to governance and compliance, the Company has instituted a robust and comprehensive Vigil Mechanism framework encompassing various elements and components in an integrated manner to enable effective oversight, reporting and resolution of concerns.

The Vigil Mechanism structure of the 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, constitutes the core pillars of Blue Star's Vigil Mechanism. These elements are seamlessly integrated within the framework, enabling continuous interaction and reinforcement to uphold best practices, strengthen oversight and drive sustainable value creation for all stakeholders.

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 Compliance Officer. 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, 2026.

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 is 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. 39.

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 continued to strengthen its human capital capabilities during the year, recognising that talent remains a critical enabler of growth, innovation and long-term value creation. As on March 31, 2026, the Company had over 3,400 Managerial (M Staff) employees, supported by a multi-generational workforce with Gen Z employees constituting over 21% of the employee base.

Building a future-ready talent pipeline remained a strategic priority. During the year, the Company inducted over 150 campus trainees and continued to invest in leadership development, managerial capability building and critical talent readiness across functions. The Star Lead Programme for high-potential talent, along with other structured leadership initiatives, continued to strengthen the Company's leadership pipeline and succession readiness.

The Company further strengthened its leadership core through the onboarding of key senior leaders, including the Group Chief Technology Officer and Group President-Manufacturing, reinforcing capabilities across technology, innovation and operational excellence.

Capability development remained a key focus area during the year. Through the Academy of Leadership Development, employees completed over 34,000 hours of classroom and digital learning, supported by programmes delivered in collaboration with leading institutions and focused interventions across leadership, project management, solution selling, technical and functional domains.

The Company continued to advance its diversity, equity and inclusion agenda through focused initiatives aimed at enhancing representation and fostering an inclusive workplace culture. During the year, the number of women in managerial positions increased by 18%, reflecting the Company's commitment to creating equitable growth opportunities and strengthening leadership diversity.

Employee engagement and workforce experience remained central to the Company's people strategy. Continued focus on career development, internal mobility, workplace culture and employee connect initiatives contributed to stable workforce retention and a stronger employer brand. During the year, the Company's Glassdoor rating improved from 4.2 to 4.4, reflecting positive employee sentiment and positioning the Company favourably amongst industry peers.

The Company remains committed to building a skilled, agile and future-ready workforce and will continue to invest in leadership development, capability enhancement, digital enablement and talent transformation to support its long-term growth aspirations.

PARTICULARS OF EMPLOYEES

Details of employee remuneration as required under provisions of Section 197(12) of the Act 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.

The details and status on the sexual harassment complaints for the financial year 2025-26 are as follows:

- Number of complaints pending resolution as on March 31, 2025 - One
- Number of complaints received during the financial year under review – NIL
- Number of complaints disposed of during the financial year under review – One
- Number of complaints pending as on March 31, 2026 – NIL
- Number of complaints pending for more than 90 days received during the financial year – NIL

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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 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 Narasimha Murthy & Co., Cost Accountants, Hyderabad, as the Cost Auditors, to conduct the cost audit for the financial year ended March 31, 2026.

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 Narasimha Murthy & Co., forms part of the Notice convening the Annual General Meeting.

COST RECORDS

As per Section 148 of the Act, 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

MMJB & Associates LLP, Company Secretaries, were appointed as the Secretarial Auditor of the Company, by the Members at the 77th Annual General Meeting held on August 6, 2025, for a first term of 5 (Five) consecutive financial years to conduct Secretarial Audit for the period from April 1, 2025 till March 31, 2030.

The Secretarial Audit Report given by MMJB & Associates LLP, 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, issued by 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 do not contain any qualification, reservation, or adverse remark.

INTERNAL AUDITORS

In terms of the provisions of Section 138 of the Act read with Companies (Account) Rules, 2014, the Company has appointed 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, 2026.

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.
- The Company has duly complied with the Maternity Benefit Act, 1961, and applicable State Rules.
- The Managing Directors did not receive any remuneration or commission from any of the subsidiaries of your Company.
- The Company does not have any scheme in respect of shares on which voting rights are not directly exercised by the employees.

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 6, 2026
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 ₹ 2.26 crores as capital investment towards energy conservation measures across various Plants & Offices.

B. TECHNOLOGY ABSORPTION

I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

a. Development of Low GWP Heat Pump Technology for the European Market

The European HVAC market continues to witness a structural transition toward heat pump adoption, driven by decarbonization initiatives and increasingly stringent environmental regulations. The Company has been catering to this market through the supply of R32 based split type air to water heat pump systems for residential space and domestic hot water heating applications.

R32 is a hydrofluorocarbon (HFC) refrigerant with a Global Warming Potential (GWP) of 675. The revised EU F Gas Regulation (Regulation (EU) 573/2024) introduces significantly tighter restrictions on the use of HFC refrigerants. Under the new regulation, split type heat pump systems placed on the market from January 1, 2027, are required to use refrigerants with a GWP below 150. In this context, R290 (propane), a hydrocarbon refrigerant with an ultra-low GWP of 3, has emerged as a preferred long-term solution for residential heat pump applications.

Given that R290 is classified as an A3 refrigerant with high flammability, its application necessitates specialized system architecture, enhanced safety-oriented design, and rigorous compliance with safety norms. During the year under review, the Company successfully completed the design and development of two residential R290 based air to water heat pump models with capacities of 5 kW and 7 kW.

The system architecture was optimized using advanced virtual thermal simulation tools to achieve targeted performance and energy efficiency levels. The R&D team worked in close collaboration with component suppliers and independent safety experts to incorporate all mandated safety features within the product design. Third party notified bodies were engaged for comprehensive safety testing and CE certification. Performance testing was conducted in accordance with EN 14511 standards for rated capacity and efficiency, and EN 14825 standards for seasonal efficiency, ensuring full compliance with European regulatory requirements.

b. In house Development of Inverter Drives for BLDC Motors

Variable speed Brushless Direct Current (BLDC) fan motors play a critical role in enhancing seasonal and part load efficiency in Variable Refrigerant Flow (VRF) systems. An emerging technology trend within the industry is the physical separation of power electronics from BLDC motors, enabling greater electronics standardization and improved long-term reliability. This evolution has led to the adoption of externally driven BLDC motors using standalone inverter drives.

In alignment with this technological shift, the Company undertook the in-house design and development of inverter drives for BLDC motors. During the year, the R&D team successfully developed a three-phase inverter drive tailored for BLDC motors used in VRF systems. The development program was executed in collaboration with power electronics domain experts to ensure adherence to performance, efficiency, and reliability benchmarks.

The newly developed inverter drives have been successfully deployed in the Company's latest VRF VI Plus series, contributing to enhanced system reliability and performance.

II. OUTCOME AND BENEFITS:

a. The development of R290 based residential air to water heat pump systems positions the Company to effectively address the growing demand in the European market for environmentally sustainable heating solutions. The product has received positive customer feedback, particularly for its superior heating performance, compact design, and reduced sound levels.

b. The successful in-house development of a three-phase inverter drive using contemporary power electronics architecture enhances product reliability and significantly reduces dependence on imported electronics. Ownership of the intellectual property provides the Company with strategic flexibility to customize and scale the design across a broad portfolio of commercial air conditioners and heat pump applications, while also strengthening supply chain resilience.

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

The Company has not imported any technology during the last three financial years.

IV. EXPENDITURE INCURRED ON R&D (CONSOLIDATED BASIS):

(₹ in crores)

Particulars	2025-26	2024-25
Capital	72.16	81.19
Recurring	75.40	58.31
Total	**147.56**	**139.50**
Total R&D expenditure as a percentage of total turnover	1.19%	1.17%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crores)

Particulars	2025-26	2024-25
Total foreign exchange outgo	1,650.45	1,848.63
Total foreign exchange earned	802.45	530.26

For and on behalf of the Board of Directors

Vir S Advani
Chairman & Managing Director
(DIN: 01571278)

Date : May 6, 2026
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.

During the year under review, Blue Star's CSR Policy was amended by the Board on August 6, 2025, to expand its scope towards environmental stewardship and sustainability initiatives, in addition to the existing focus areas. The amended policy reflects Blue Star's intent to undertake structured interventions through its CSR initiatives in areas such as environmental protection, climate-related initiatives, and sustainable development, thereby reinforcing its commitment to foster a more sustainable future for communities and the environment.

2. Composition of CSR Committee:

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

** Sunaina Murthy was appointed as the Chairperson with effect from January 29, 2026, and B Thiagarajan ceased to be the Chairman and Member of the Committee with effect from January 29, 2026*

***M S Unnikrishnan was appointed as a Member of the Committee with effect from January 29, 2026. No meeting of the Committee was held subsequent to his appointment.*

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-2025-26.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.

5. (a) **Average net profit of the company as per sub-section (5) of Section 135:** ₹ 515.62 crores

(b) **Two percent of average net profit of the company as per sub-section (5) of Section 135:** ₹ 10.31 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:** ₹ 0.35 crores

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 9.96 crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 10.11 crores

(b) **Amount spent in Administrative Overheads:** ₹ 0.10 crores

(c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)] :** ₹ 10.21 crores

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent				
	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 (₹ in crores)	Date of transfer	Name of the Fund	Amount Amount (₹ in crores)	Date of transfer
10.21	-	-	-	-	-

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

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per section 135(5)	10.31
(ii)	Set off from the previous financial year	0.35
(iii)	Total CSR obligation for the financial year [(i)-(ii)]	9.96
(iv)	Total amount spent for the Financial Year	10.21
(v)	Excess amount spent for the financial year [(iv)-(iii)]	0.25
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vii)	Amount available for set off in succeeding financial years [(iv)-(iii)]	0.25

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in crores)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in crores)	Amount Spent in the Financial Year (₹ in crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
1	2024-25	0.13	0.13	0	-	-	0.13	NA
2	2023-24	-	-	-	-	-	-	NA
3	2022-23	-	-	-	-	-	-	NA

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

Yes No ●

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

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

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

B Thiagarajan
Managing Director
(DIN: 01790498)

Sunaina Murthy
Chairperson
Corporate Social Responsibility and ESG Committee
(DIN: 07865860)

Date: May 6, 2026
Place: Mumbai

Annexure 3 to Board's Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BLUE STAR LIMITED
Kasturi Building Jamshedji Tata Road,
Mumbai – 400020, Maharashtra, India.

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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, 2026 (hereinafter called the 'Audit Period') 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 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, 2026 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; (Foreign Direct Investment and External Commercial Borrowings is not applicable to the Company during the 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;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent of Commercial Paper;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 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 the Audit Period);** and

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

vi. As Identified, no laws specifically applicable to the Company during the Audit Period

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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are 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 issued multiple Commercial Papers of varying amounts and redeemed them within a prescribed time amounted to ₹ 2,500 crores.

For MMJB & Associates LLP
Company Secretaries
ICSI UIN: L2020MH006700
Peer Review Cert. No.: 2826/2022

Saurabh Agarwal
Designated Partner
FCS: 9290
CP No.: 20907
UDIN: F009290H00028880

Date: May 6, 2026
Place: Mumbai

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

'Annexure A'

To,
The Members,
Blue Star Limited
Kasturi Building Jamshedji Tata Road,
Mumbai – 400020, Maharashtra, India.

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 MMJB & Associates LLP
Company Secretaries
ICSI UIN: L2020MH006700
Peer Review Cert. No.: 2826/2022

Saurabh Agarwal
Designated Partner
FCS: 9290
CP No.: 20907
UDIN: F009290H00028880

Date: May 6, 2026
Place: Mumbai

Annexure 3A to Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[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, 2026 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 3 1, 2026 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 (Oelisting 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;

(j) 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 , Committee 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
UDIN: F004650H000147100
PR NO: 7061/2025

Place: Thane
Date: April 24, 2026

'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: F004650H000147100
PR NO: 7061/2025

Place: Thane
Date: April 24, 2026

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

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, 2026, 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

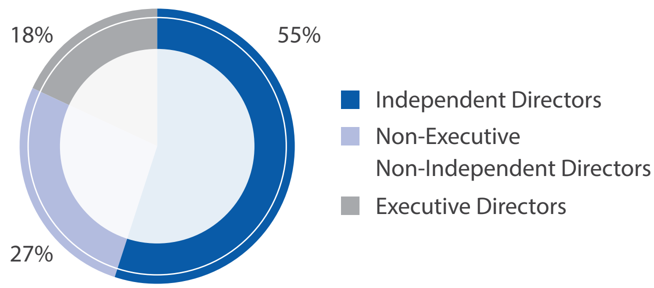
The Company has a balanced and diverse Board. The Company's Board has an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. Throughout the year, the composition of the Board was in conformity with Regulation 17 of the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

As on March 31, 2026, the Board comprised eleven Directors. Out of the eleven, six (i.e. 55 percent) were Independent Directors, three (i.e. 27 percent) were Non-Executive Non-Independent Directors and two (i.e. 18 percent) were Executive Directors. The Board comprised two women Directors, one Independent Director and one Non-Executive Non-Independent Director.

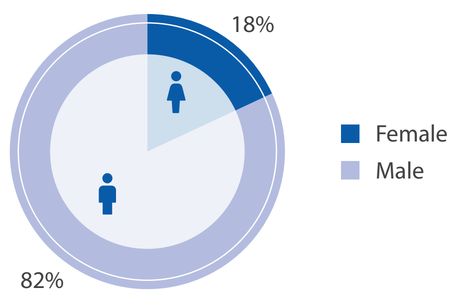
During the year, upon completion of his second term Sam Balsara ceased to be an Independent Director of the Company with effect from January 31, 2026. Further, Ponnada Venkata Rao (P V Rao) resigned from the post of Executive Director – Projects, Solutions & International with effect from February 28, 2026, due to personal reasons.

M S Unnikrishnan, was appointed as an Independent Director with effect from January 29, 2026 for a term of five consecutive years commencing from January 29, 2026 to January 28, 2031.

Board Composition as on March 31, 2026



Board Diversity as on March 31, 2026

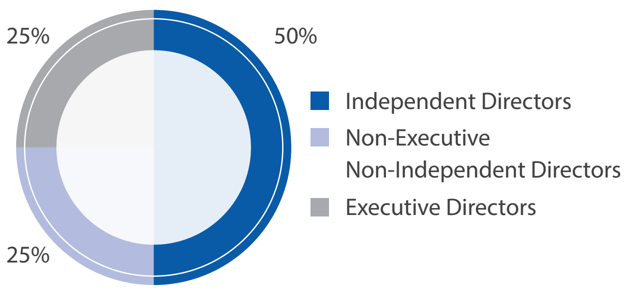


In addition to the above, the Board and the Members, effective April 1, 2026, approved:

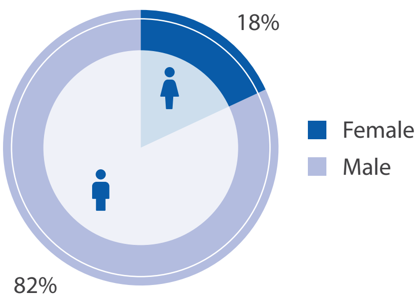
- Re-appointment of Vir S Advani as a Chairman & Managing Director for a period of five years;
- Re-appointment of B Thiagarajan as Managing Director till May 24, 2027; and
- Appointment of Mohit Sud as an Executive Director – Unitary Cooling Products Group for a period of five years.

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

Board Composition as on the date of the report



Board Diversity as on the date of the report



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.

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

The details of the Board of Directors including skills, area of expertise, shareholding, number of directorships and committee positions held by them in the Company and other companies as on March 31, 2026, are as under:

Vir S Advani, Chairman and Managing Director (DIN 01571278)

Age (As on 31 March 2026):	**50 years**	Tenure Till:	**March 31, 2031**
Initial Date of Appointment:	**July 1, 2010**	Tenure as on 31 March 2026:	**15 Years and 9 months**
Date of Re-appointment:	**April 1, 2026**	Shareholding:	**22,30,731 shares (1.08%)**
Directorships[1]:			**3**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**0**
Committee Chairmanships[2]:			**0**
Name of Listed Entity(ies): **Blue Star Limited,** Chairman and Managing Director			

Areas of Expertise:

B Thiagarajan, Managing Director (DIN 01790498)

Age (As on 31 March 2026):	**68 years**	Tenure Till:	**May 24, 2027**
Initial Date of Appointment:	**May 13, 2013**	Tenure as on 31 March 2026:	**12 Years and 10 months**
Date of Re-appointment:	**April 1, 2026**	Shareholding:	**55,006 shares (0.03%)**
Directorships[1]:			**3**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**0**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Managing Director

Areas of Expertise:

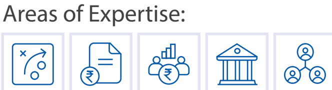
Mohit Sud, Executive Director – Unitary Cooling Products Group (DIN 10034070)

Age (As on 31 March 2026):	**47 years**	Tenure Till:	**March 31, 2031**
Initial Date of Appointment:	**April 1, 2026**	Tenure as on 31 March 2026:	**NA**
Date of Re-appointment:	**NA**	Shareholding:	**Nil**
Directorships[1]:			**2**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**0**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Executive Director

Areas of Expertise:



Anil Harish, Independent Director (DIN 00001685)

Age (As on 31 March 2026):	**72 years**	Tenure Till:	**Nov 21, 2027**
Initial Date of Appointment:	**Nov 22, 2017**	Tenure as on 31 March 2026:	**8 Years and 4 months**
Date of Re-appointment:	**Nov 22, 2022**	Shareholding:	**Nil**
Directorships[1]:			**6**
Number of Directorship(s) held in public listed companies:			**3**
Committee Memberships[2]:			**7**
Committee Chairmanships[2]:			**3**

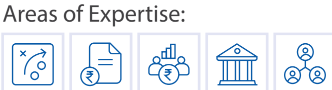
Name of Listed Entity(ies):

Blue Star Limited, Independent Director

Oberoi Realty Limited, Independent Director

Advani Hotels & Resorts (India) Limited, Independent Director

Areas of Expertise:



Rajiv R Lulla, Non-Executive Director (DIN 06384402)

Areas of Expertise:

Age (As on 31 March 2026):	**57 years**	Tenure Till:	**Liable to retire by rotation**
Initial Date of Appointment:	**Dec 1, 2016**	Tenure as on 31 March 2026:	**9 Years and 4 months**
Date of Re-appointment:	**Aug 3, 2023**	Shareholding:	**Nil**
Directorships[1]:			**1**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**1**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Non-Executive Director

G Murlidhar, Independent Director (DIN 03601196)

Areas of Expertise:

Age (As on 31 March 2026):	**65 years**	Tenure Till:	**Jan 29, 2029**
Initial Date of Appointment:	**Jan 30, 2024**	Tenure as on 31 March 2026:	**2 Years and 2 months**
Date of Re-appointment:	**NA**	Shareholding:	**Nil**
Directorships[1]:			**3**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**2**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Independent Director

Sunaina Murthy, Non -Executive Director (DIN 07865860)

Areas of Expertise:

Age (As on 31 March 2026):	**52 years**	Tenure Till:	**Liable to retire by rotation**
Initial Date of Appointment:	**Apr 1, 2019**	Tenure as on 31 March 2026:	**7 Years**
Date of Re-appointment:	**Aug 6, 2024**	Shareholding:	**21,45,050 shares (1.04%)**
Directorships[1]:			**1**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**1**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Non-Executive Director

Anita Ramachandran, Independent Director (DIN 00118188)

Areas of Expertise:

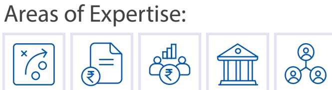
Age (As on 31 March 2026):	**70 years**	Tenure Till:	**June 12, 2027**
Initial Date of Appointment:	**June 13, 2022**	Tenure as on 31 March 2026:	**3 Years and 9 months**
Date of Re-appointment:	**NA**	Shareholding:	**Nil**
Directorships[1]:			**8**
Number of Directorship(s) held in public listed companies:			**6**
Committee Memberships[2]:			**8**
Committee Chairmanships[2]:			**2**

Name of Listed Entity(ies):

Blue Star Limited, Independent Director
FSN E-Commerce Ventures Limited, Independent Director
Happiest Minds Technologies Limited, Independent Director
Grasim Industries Limited, Independent Director
Aditya Birla Sun Life AMC Limited, Independent Director
Ultratech Cement Limited, Independent Director

Arvind K Singhal, Independent Director (DIN 00709084)

Areas of Expertise:



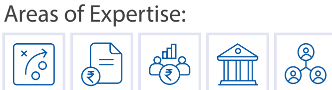
Age (As on 31 March 2026):	**67 years**	Tenure Till:	**May 30, 2026**
Initial Date of Appointment:	**Feb 5, 2019**	Tenure as on 31 March 2026:	**7 Years and 1 month**
Date of Re-appointment:	**Feb 5, 2024**	Shareholding:	**Nil**
Directorships[1]:			**3**
Number of Directorship(s) held in public listed companies:			**2**
Committee Memberships[2]:			**4**
Committee Chairmanships[2]:			**1**

Name of Listed Entity(ies):

Blue Star Limited, Independent Director
Metro Brands Limited, Independent Director

Vipin Sondhi, Independent Director (DIN 00327400)

Areas of Expertise:



Age (As on 31 March 2026):	**65 years**	Tenure Till:	**Jan 29, 2029**
Initial Date of Appointment:	**Jan 30, 2024**	Tenure as on 31 March 2026:	**2 Years and 2 months**
Date of Re-appointment:	**NA**	Shareholding:	**Nil**
Directorships[1]:			**4**
Number of Directorship(s) held in public listed companies:			**3**
Committee Memberships[2]:			**2**
Committee Chairmanships[2]:			**2**

Name of Listed Entity(ies):

Blue Star Limited, Independent Director
Triveni Turbine Limited, Independent Director
DCM Shriram Limited, Independent Director

M S Unnikrishnan, Independent Director (DIN 01460245)

Areas of Expertise:

Age (As on 31 March 2026):	**65 years**	Tenure Till:	**Jan 28, 2031**
Initial Date of Appointment:	**Jan 29, 2026**	Tenure as on 31 March 2026:	**2 months**
Date of Re-appointment:	**NA**	Shareholding:	**Nil**
Directorships[1]:			**4**
Number of Directorship(s) held in public listed companies:			**4**
Committee Memberships[2]:			**2**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Independent Director

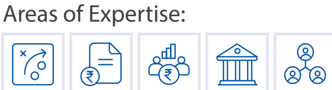
Kirloskar Brothers Limited, Non-Executive Non-Independent Director

KEC International Limited, Independent Director

Greaves Cotton Limited, Independent Director

Dinesh N Vaswani, Non-Executive Director (DIN 00306990)

Areas of Expertise:



Age (As on 31 March 2026):	**63 years**	Tenure Till:	**Liable to retire by rotation**
Initial Date of Appointment:	**Dec 1, 2016**	Tenure as on 31 March 2026:	**9 Years and 4 months**
Date of Re-appointment:	**Aug 6, 2025**	Shareholding:	**53,888 shares (0.03%)**
Directorships[1]:			**1**
Number of Directorship(s) held in public listed companies:			**1**
Committee Memberships[2]:			**0**
Committee Chairmanships[2]:			**0**

Name of Listed Entity(ies):

Blue Star Limited, Non-Executive Director

[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.

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.

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).

However, Arvind Singhal has submitted his resignation on April 30, 2026 as an Independent Director of the Company with effect from May 30, 2026, due to his pre-occupation with the current and some new professional commitments. In his resignation letter, he has confirmed that there are no material reasons for his resignation other than those mentioned above.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate from MMJB & Associates LLP, Company Secretaries, the Secretarial Auditor of the Company, 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.

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 Notice, 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.

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.

NUMBER OF MEETINGS HELD BY THE BOARD

During the financial year, the Board met five times. The meetings were held on May 7, 2025; August 6, 2025; November 5, 2025; January 29, 2026; and March 18, 2026. The gap between two consecutive Board Meetings did not exceed 120 days.

The Company had convened its last Annual General Meeting on August 6, 2025.

Name of Director	Category/Designation	May 7, 2025	August 6, 2025	November 5, 2025	January 29, 2026	March 18, 2026	Last AGM
Vir S Advani	Chairman and Managing Director	👤	👤	👤	👤	👤	👤
B Thiagarajan	Managing Director	👤	👤	👤	👤	👤	👤
P V Rao*	Executive Director – Projects, Solutions & International	👤	👤	👤	-	NA	👤
Sam Balsara**	Independent Director	👤	👤	👤	👤	NA	👤
Anil Harish	Independent Director	👤	-	👤	👤	👤	👤
Rajiv R Lulla	Non-Executive Director	👤	👤	👤	👤	👤	👤
G Murlidhar	Independent Director	👤	👤	👤	👤	👤	👤
Sunaina Murthy	Non-Executive Director	👤	👤	👤	👤	👤	👤
Anita Ramachandran	Independent Director	👤	👤	👤	👤	👤	👤
Arvind K Singhal	Independent Director	👤	👤	👤	👤	👤	👤
Vipin Sondhi	Independent Director	👤	👤	👤	👤	👤	👤
Dinesh N Vaswani	Non-Executive Director	👤	👤	👤	👤	👤	👤
M S Unnikrishnan***	Independent Director	NA	NA	NA	👤	👤	NA

👤 👤 Present

**Resigned as an Executive Director – Projects, Solutions & International of the Company with effect from February 28, 2026.*

*** Retired as an Independent Director with effect from January 31, 2026.*

****Appointed as an Independent Director with effect from January 29, 2026.*

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 (including Independent 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 it's 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 and (xiv) relationships with Board members, Committee Chairman and Leadership Team, displays leadership and professionalism, open-minded, decisive, courteous.

In accordance with provisions of the Act and the Listing Regulations, a meeting of the Independent Directors of the Company was held on March 27, 2026, to review the following for FY26:

- 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 Director 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.

All the Independent Directors had attended the meeting. 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, 2026. A declaration to the effect, confirming the same and signed by the Chairman and 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.

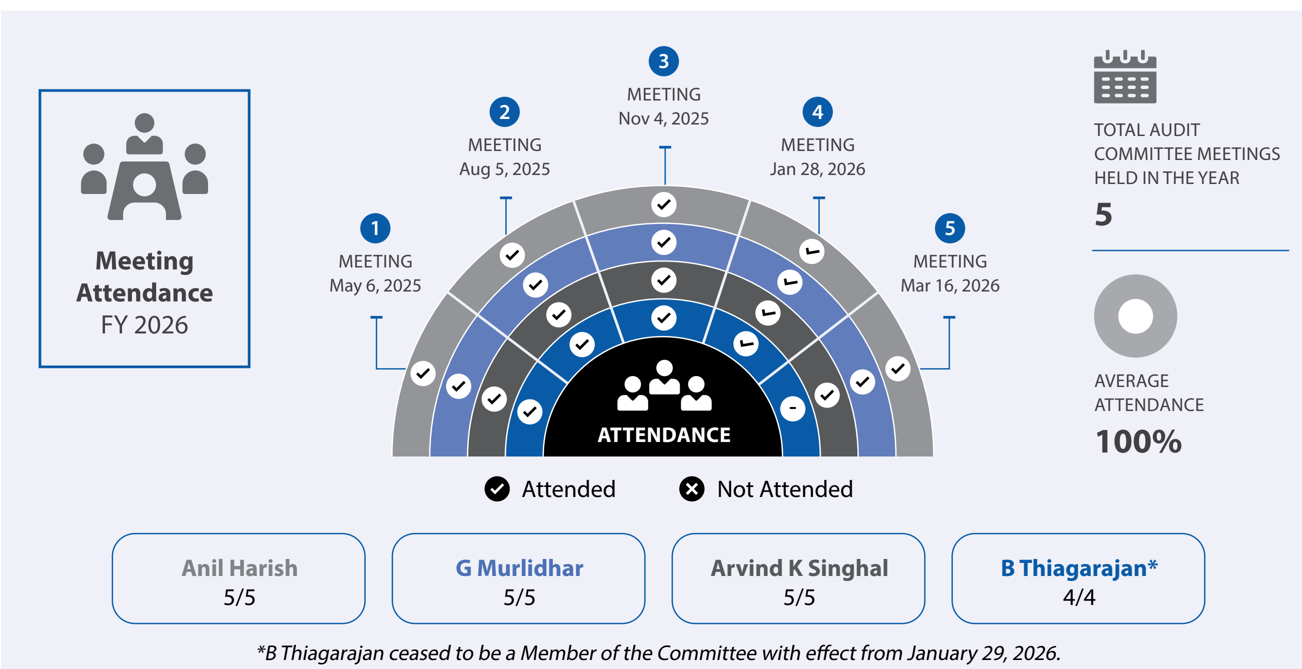
As on March 31, 2026, the Committee comprised three directors:

Anil Harish
Independent Director

G Murlidhar
Independent Director

Arvind K Singhal
Independent Director

Chairman



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.

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, 2026, the Committee comprised three directors:

Anita Ramachandran
Independent Director*

Dinesh N Vaswani
Non-Executive Director

Vipin Sondhi
Independent Director**

Chairperson

** Elected as the Chairperson of the Committee w.e.f. January 29, 2026*
*** Appointed as a Member of the Committee w.e.f. January 29, 2026*

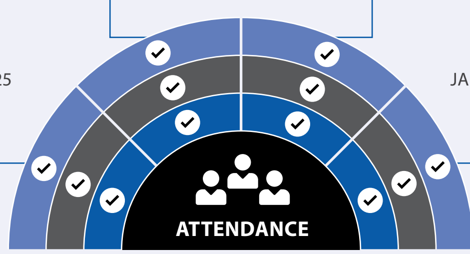
Meeting Attendance
FY 2026

1 MEETING APRIL 30, 2025

2 MEETING JULY 29, 2025

3 MEETING OCTOBER 31, 2025

4 MEETING JANUARY 15, 2026



Attended Not Attended

TOTAL NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD IN THE YEAR
4

AVERAGE ATTENDANCE
100%

Sam Balsara*	Anita Ramachandran	Dinesh N Vaswani
4/4	4/4	4/4

** Sam Balsara ceased to be Chairman and Member of the Committee with effect from January 29, 2026.*

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.

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 and 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 Variable Components 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. The Executive Directors do not receive sitting fees for attending meetings of the Board/Committees of the Board of the Company.

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:

(₹ in lakhs)

Name	Salary	Retirals	Perquisites	Commission	Performance Linked Incentive	Sitting Fees	Total
Vir S Advani	195.90	62.30	391.80	-	892.60	-	1542.60
B Thiagarajan	195.90	62.30	391.80	-	598.40	-	1248.40
P V Rao*	91.45	38.24	182.89	-	-	-	312.58
Sam Balsara**	-	-	-	23.87	-	6.00	29.87
Anil Harish	-	-	-	28.64	-	8.25	36.89
Rajiv R Lulla	-	-	-	28.64	-	5.75	34.39
G Murlidhar	-	-	-	28.64	-	8.00	36.64

(₹ in lakhs)

Name	Salary	Retirals	Perquisites	Commission	Performance Linked Incentive	Sitting Fees	Total
Sunaina Murthy	-	-	-	28.64	-	6.25	34.89
Anita Ramachandran	-	-	-	28.64	-	8.75	37.39
Arvind K Singhal	-	-	-	28.64	-	9.00	37.64
Vipin Sondhi	-	-	-	36.64	-	4.25	40.89
Dinesh N Vaswani	-	-	-	28.64	-	6.75	35.39
M S Unnikrishnan***	-	-	-	4.77	-	2.00	6.77

**Resigned as an Executive Director – Projects, Solutions & International of the Company with effect from February 28, 2026. ₹ 4.62 crores were paid to him as post-retirement benefits towards PF, Gratuity and Superannuation.*

***Retired as an Independent Director with effect from January 31, 2026.*

****Appointed as an Independent Director with effect from January 29, 2026.*

EMPLOYEE STOCK OPTIONS TO EXECUTIVE DIRECTORS:

Under the Blue Star Employees Stock Option Scheme - 2024 (ESOP 2024), B Thiagarajan has been granted 21,356 and 22,213 stock options during the year 2024-25 and 2025-26 respectively and based on achievement of the performance criteria for FY25, 5,339 stock options got vested in October, 2025. 6,530 stock options granted to P V Rao lapsed owing to his resignation as per the conditions specified under the ESOP 2024. No stock options were granted to P V Rao in 2025-26.

Vir S Advani, being Executive Promoter Director, is not eligible for the stock options under the ESOP 2024.

As per ESOP 2024, the Stock 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.

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.

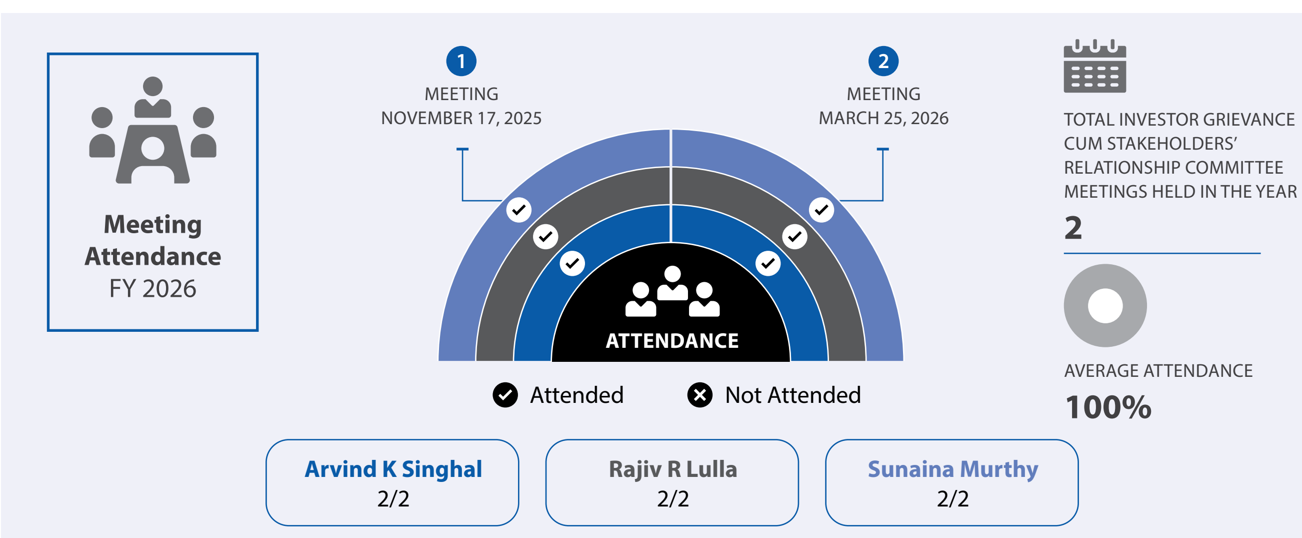
As on March 31, 2026, the Committee comprised three directors:

Arvind K Singhal
Independent Director

Rajiv R Lulla
Non-Executive Director

Sunaina Murthy
Non-Executive Director

Chairman



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.

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.

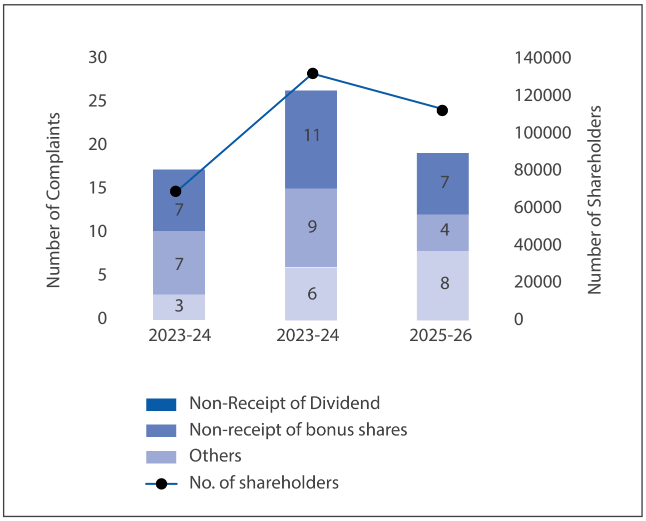
10. Review the outcome and response arising from various press clippings, press conference, TV interviews and formal media interaction from time to time.

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 19 complaints and all the complaints were resolved to the satisfaction of the Shareholders. There were no complaints pending for resolution as on March 31, 2026. The complaints received from the investors were mainly pertaining to non-receipt of dividend, non-receipt of bonus shares and duplicate share certificates, etc.

Trend of Complaints and Number of Shareholders during last 3 years:



Complaints or queries relating to the shares can be raised to the Company's Registrar and Share Transfer Agents ('RTA') –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, 2026, the Committee comprised three directors:

Sunaina Murthy
Non-Executive Director*

Anita Ramachandran Independent Director	**M S Unnikrishnan** Independent Director**

Chairperson

** Elected as the Chairperson of the Committee w.e.f. January 29, 2026*

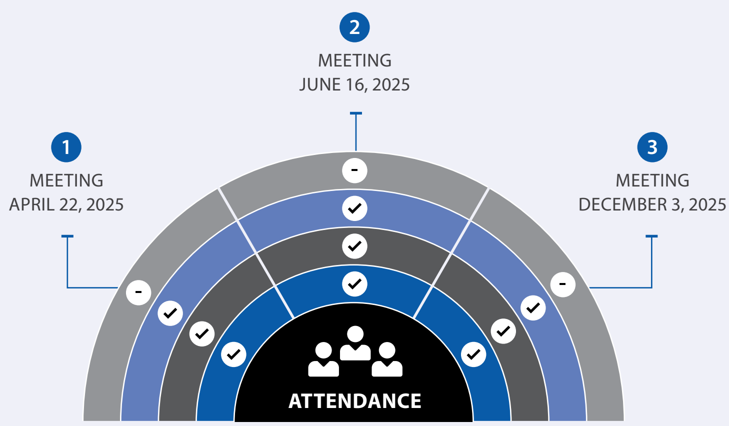
*** Appointed as a Member of the Committee w.e.f. January 29, 2026*

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.

Meeting Attendance
FY 2026



TOTAL CSR & ESG COMMITTEE MEETINGS HELD IN THE YEAR
3

AVERAGE ATTENDANCE
100%

Attended   Not Attended

B Thiagarajan*	Sunaina Murthy	Anita Ramachandran	M S Unnikrishnan**
3/3	3/3	3/3	-

** B Thiagarajan ceased to be Chairman and Member of the CSR & ESG Committee with effect from January 29, 2026.*

*** M S Unnikrishnan was appointed as a Member of the CSR & ESG Committee with effect from January 29, 2026.*

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, 2026, the Committee comprised three directors:

Vir S Advani
Managing Director

Anil Harish	**Rajiv R Lulla**
Independent Director	Non-Executive Director

Chairman

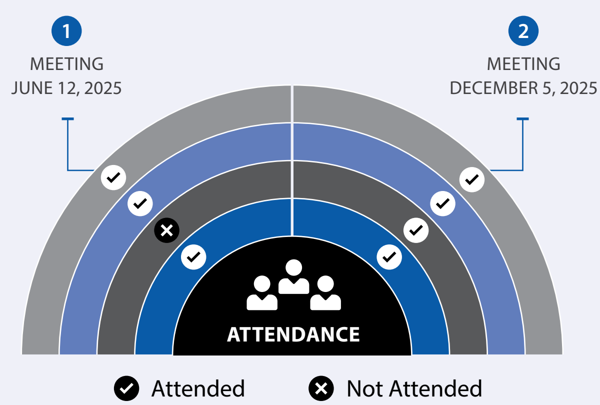
Throughout the year, the composition of the Committee was in line with the requirements of Regulation 21 of the Listing Regulations.

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.

Meeting Attendance
FY 2026



TOTAL RISK MANAGEMENT COMMITTEE MEETINGS HELD IN THE YEAR
2

AVERAGE ATTENDANCE
87.5%

Vir S Advani	**B Thiagarajan***	**Anil Harish**	**Rajiv R Lulla**
2/2	1/2	2/2	2/2

** B Thiagarajan ceased to be a Member of the Risk Management Committee with effect from January 29, 2026.*

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.

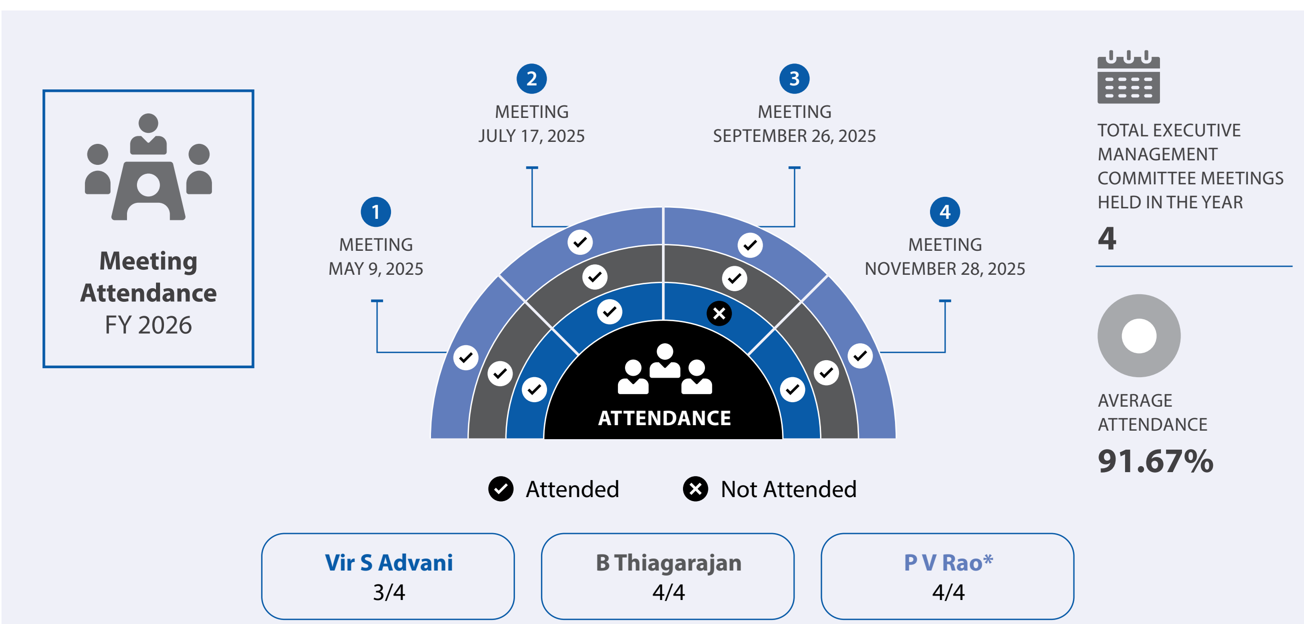
F. EXECUTIVE MANAGEMENT COMMITTEE

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, 2026, the Committee comprised two directors:

Vir S Advani (Chairman) Managing Director	**B Thiagarajan** Managing Director

Chairman



** P V Rao ceased to be a Member of the Executive Management Committee with effect from February 28, 2026.*

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, 2026, the Committee comprised two directors:

Vir S Advani (Chairman) Managing Director	**B Thiagarajan** Managing Director

Chairman

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

SENIOR MANAGEMENT PERSONNEL

As per the Regulation 16(1)(d) of Listing Regulations, the Senior Management Personnel of the Company as on March 31, 2026 are as below:

Sr. No.	Name	Designation	Changes during the year
1	Mohit Sud*	Group President - Unitary Cooling Products	-
2	Manish Jha	Group President - Manufacturing	Appointed with effect from November 5, 2025.
3	Sanjeev Agarwal	Chief Technology Officer	Appointed with effect from August 1, 2025.
4	Nikhil Sohoni	Group Chief Financial Officer	-
5	Arun Rajan	Group Chief Human Resources Officer	-
6	Rajesh Parte	Company Secretary & Compliance Officer	-
7	Senthil Bala	Group President - Manufacturing	Resigned with effect from June 30, 2025.
8	V S Ashok	Executive Vice President – Customer Experience & ESG	Ceased to be a Senior Management Personnel with effect from July 29, 2025.

**Appointed as an Executive Director – Unitary Cooling Products Group with effect from April 1, 2026.*

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 Board of Directors, at their meeting held on May 6, 2026, approved the segregation of the Code into following two separate codes as follows with no revision or modification to these Codes:

A. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders; and

B. Code of Fair Disclosure of Unpublished Price Sensitive Information.

The Code of Fair Disclosure is disclosed on the website of the Company under the weblink at: https://www.bluestarindia.com/media/404898/bsl-code-of-fair-disclosure.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.

MATERIAL SUBSIDIARY COMPANIES

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. Vipin Sondhi, Independent Director of the Company who was appointed as an Independent Director on the Board of Blue Star Climatech Limited tendered his resignation with effect from January 31, 2026. G Murlidhar, Independent Director of the Company was appointed as Non-Executive Director on the Board of Blue Star Climatech Limited with effect from February 1, 2026.

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. 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. 39 to the standalone financial statements for the year ended March 31, 2026. 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 (Rs in crores) FY26**	**Exposure in quantity (MT) FY26**	**% of such exposure hedged through commodity derivatives**				
			Domestic market		**International market**		**Total**
			OTC	**Exchange**	**OTC**	**Exchange**	
Copper	562	5,590	Nil	Nil	Nil	Nil	Nil
Aluminium	179	4,789	Nil	Nil	Nil	Nil	Nil

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

During the year, the Company had not received any complaint with allegations of sexual harassment.

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 the 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 complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

4. The Company has followed all relevant Indian Accounting Standards while preparing the Financial Statements.

5. 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.

6. During the year, the Company has not raised fund through preferential allotment or qualified institutions placement.

7. During the financial year, the Company has listed its Commercial Papers on National Stock Exchange of India Ltd as required under the applicable regulations.

8. There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub paras (2) to (10) of Para C of Schedule V of the Listing Regulations.

9. 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.

10. The details of total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ in Crores)

Name of Director	**March 31, 2025**	**March 31, 2026**
Audit fee (including limited review)	2.80	2.99
Tax audit	0.19	0.20
Reimbursement of expenses	0.15	0.19
Other Certification Fees	0.77	0.54
Total	**3.91**	**3.92**

11. 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:

Name of Director	Name of Entity in which Interested (by virtue of Directorship therein)	Details of Loans and Advances		
		Nature of Loan & Advance	Balances as on March 31, 2026 (in ₹)	Maximum outstanding during the year (in ₹)
Vir S Advani B Thiagarajan G Murlidhar	Blue Star Climatech Limited	Inter-Corporate Deposits placed by the Company	NIL	90,00,00,000
Vir S Advani B Thiagarajan	Blue Star Engineering & Electronics Limited (Blue Star E&E)	Inter-Corporate Deposits placed with the Company	120,00,00,000	180,00,00,000
Vir S Advani B Thiagarajan G Murlidhar	Blue Star E&E and Blue Star Climatech Limited	Inter-Corporate Deposits placed by Blue Star E&E with Blue Star Climatech Limited	85,00,00,000	105,00,00,000

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, 2026, for all the applicable compliance as per the SEBI Regulations/Circulars/Guidelines issued thereunder. The Company has engaged MMJB & Associates LLP, Company Secretaries, the Secretarial Auditor of the Company, 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	Date	Venue	Time	Details of Special Resolutions
2022-23	August 3, 2023	Video Conferencing/ Other Audio Visual Means	3:30 p.m.	None
2023-24	August 6, 2024	Video Conferencing/ Other Audio Visual Means	3:30 p.m.	None
2024-25	August 6, 2025	Video Conferencing/ Other Audio Visual Means	3:30 p.m.	Re-appointment of Mr Vir S Advani as Chairman & Managing Director of the Company for a period of 5 years

POSTAL BALLOT

During the financial year 2025-26, 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: February 27, 2026
Cut-off Date: February 20, 2026
Voting Period: Monday, March 2, 2026 (9:00 hours IST) to Tuesday, March 31, 2026 (17:00 hours IST)
Date of Declaration of Result: March 31, 2026
Date of passing the Resolution: March 31, 2026

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
Ordinary Resolutions:								
Re-appointment of Mr B Thiagarajan as a Managing Director of the Company for a further period commencing from April 1, 2026 to May 24, 2027	708	15,75,97,534	99.28%	50	11,36,263	0.72%	-	-
Appointment of Mr Mohit Sud as an Executive Director - Unitary Cooling Products Group with effect from April 1, 2026	713	15,80,05,894	99.54%	42	7,27,901	0.46%	-	-
Special Resolution:								
Appointment of Mr M S Unnikrishnan as an Independent Director of the Company to hold office for a term of five consecutive years commencing from January 29, 2026 to January 28, 2031	723	15,83,51,689	99.76%	28	3,82,021	0.24%		

PROCEDURE FOR POSTAL BALLOT:

The Board of Directors had appointed Ms Deepti Kulkarni (Membership No. A34733), and failing her Mr Omkar Dindorkar (Membership No. A43029) of MMJB & Associates LLP, 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 Act 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 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, 2026 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, 2025	1,572	9,56,745
Letter of confirmation transferred to unclaimed suspense account during the year ended March 31, 2026	2	70
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, 2026	81	85,477
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended March 31, 2026	81	85,477
Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended March 31, 2026	-	-
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, 2026	1,493	8,71,338

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 Navshakti 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 FY26 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. A letter providing the web-link for accessing the Annual Report for Financial Year 2025-26, is being sent to those Members who have not registered their e-mail IDs. Physical copies of the Annual Report and the Notice of the AGM is being provided to Members on request. 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 FY26 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, 2026
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 03/2025 issued by MCA, the meeting will be held through Video Conferencing/ Other Audio Visual Means.
Financial Year	: April 1, 2025 to March 31, 2026

FINANCIAL CALENDAR (PROVISIONAL):

Unaudited results for the quarter ending June 30, 2026	: August, 2026
Unaudited results for the quarter ending September 30, 2026	: November, 2026
Unaudited results for the quarter ending December 31, 2026	: January, 2027
Audited results for the year ending March 31, 2027	: May, 2027
Record Date	: July 17, 2026
Dividend Payment Date (if declared)	: on or after August 6, 2026
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 timely servicing all its obligations and its covenants as required under financing arrangements. 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 number: 1800 1020 878
Email: investor.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

Unclaimed dividend

During the year under review, the Company has credited ₹ 60,72,740 as unpaid dividend, for the financial year 2017-18, lying in the unclaimed/unpaid dividend account to the IEPF.

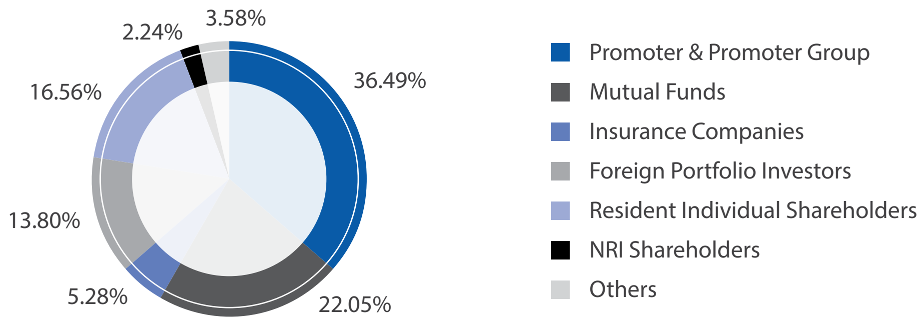
Shares

During the year under review, the Company transferred 41,478 Equity Shares to IEPF Authority corresponding to unclaimed dividend for the year 2017-18. The IEPF Authority holds 9,99,960 Equity Shares in the Company as on March 31, 2026.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders (%)	Total No. of Shares held	Percentage of Shares held (%)
1 - 500	1,07,718	93.92	45,50,124	2.21
501 - 1000	2,340	2.04	17,55,980	0.85
1001 - 2000	1,579	1.38	23,40,534	1.14
2001 - 3000	670	0.58	16,72,709	0.81
3001 - 4000	514	0.45	18,01,266	0.88
4001 - 5000	289	0.25	13,18,689	0.64
5001 - 10000	671	0.59	48,17,407	2.34
10001 and above	907	0.79	18,73,58,079	91.12
TOTAL	**1,14,688**	**100**	**20,56,14,788**	**100**

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2026



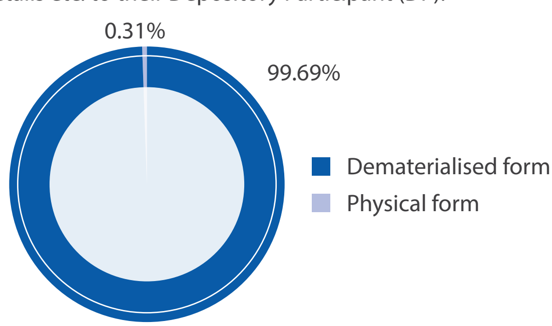
DEMATERIALISATION OF SHARES & LIQUIDITY AND UPDATION OF KYC

As on March 31, 2026, 99.69% 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
Nahan Road, Village Ogli,
Kala Amb, Dist: Sirmour,
Himachal Pradesh 173 030

Blue Star Limited
Survey No. 265/2, Demni Road,
U.T. of Dadra & Nagar Haveli, Dadra 396 191

Blue Star Limited
Nahan Road, Rampur Jattan, Kala Amb
Dist: Sirmour, Himachal Pradesh 173 030

Blue Star Limited
501/3, 503/2, Tajpur Road,
Sarkhej-Bavla Highway, Changodar
Ahmedabad 382 213

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 MMJB & Associates LLP, Company Secretaries, the Secretarial Auditor of the Company, 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 ID: investorrelations@bluestarindia.com

For and on behalf of the Board of Directors

Vir S Advani
Chairman and Managing Director
(DIN: 01571278)

Date : May 6, 2026
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, 2026.

For and on behalf of the Board of Directors

Vir S Advani
Chairman and Managing Director
(DIN: 01571278)

Date : May 6, 2026
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 SEBI
(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 disclosures provided by the Directors (as enlisted in Table A) to **Blue Star Limited having CIN L28920MH1949PLC006870** and having registered office Kasturi Buildings, Jamshedji Tata Road, Mumbai-400020, (hereinafter referred to as **'the Company'**) for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C 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, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on March 31, 2026.

Table A

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Vir S Advani	01571278	01/07/2010
2.	Mr. B Thiagarajan	01790498	13/05/2013
3.	Mr. Mohit Sud	10034070	01/04/2026
4.	Ms. Sunaina Murthy	07865860	01/04/2019
5.	Mr. Dinesh N Vaswani	00306990	01/12/2016
6.	Mr. Rajiv Lulla	06384402	01/12/2016
7.	Mr. Anil Harish	00001685	22/11/2017
8.	Mr. Arvind K Singhal	00709084	05/02/2019
9.	Ms. Anita Ramchandran	00118188	13/06/2022
10.	Mr. G Murlidhar	03601196	30/01/2024
11.	Mr. Vipin Sondhi	00327400	30/01/2024
12.	Mr. M S Unnikrishnan	01460245	29/01/2026

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For **MMJB & Associates LLP**
Company Secretaries
ICSI UIN: L2020MH006700
Peer Review Cert. No.: 2826/2022

Saurabh Agarwal
Designated Partner
FCS: 9290
CP No.: 20907
UDIN: F009290H000295719

Date: May 6, 2026
Place: Mumbai

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, 2026, 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 2025-26 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

Date : May 6, 2026
Place: Mumbai

Corporate Governance Certification

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Blue Star Limited
Kasturi Building Jamshedji Tata Road,
Mumbai – 400020, Maharashtra, India

We have examined the compliance of conditions of Corporate Governance by Blue Star Limited ("the Company") for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) 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 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance 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 MMJB & Associates LLP
Company Secretaries
ICSI UIN: L2020MH006700
Peer Review Cert. No.: 2826/2022

Saurabh Agarwal
Designated Partner
FCS: 9290
CP No.: 20907
UDIN: F009290H000289231

Date: May 6, 2026
Place: Mumbai

Management Discussion and Analysis

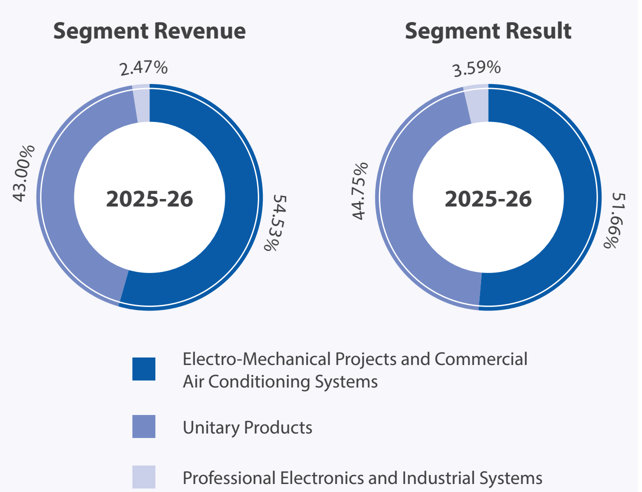
In the context of Blue Star's business operations and strategic proposition detailed in the Board's Report and Integrated Report, an in-depth analysis of the market environment, operating businesses, and financial performance is presented in the following sections of this report.

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 segments. An overview of the industry structure and prevailing market dynamics is provided in the Integrated Report (refer to the Industry Structure and Developments section on page no. 28).

SEGMENT-WISE ANALYSIS

The consolidated revenue and results break-up in terms of business segments for FY26 are as follows:



ELECTRO-MECHANICAL PROJECTS AND COMMERCIAL AIR CONDITIONING SYSTEMS

Electro-Mechanical Projects

In FY26, the Electro-Mechanical Projects business witnessed an increase in enquiries from the data centre and factory segments. The division maintained a healthy order inflow across a diverse range of sectors, including factories, data centres, metro railways, hospitals, and office complexes. During the year, the business further strengthened its position in the data centre sector, securing a steady stream of new and repeat orders from existing clients. While the Company expects demand from the data centre sector to be strong, it continues to adopt a selective and disciplined approach to project bidding across other segments.

Operational excellence remained a key priority, with continued improvements in project execution and delivery despite market volatility, intensified competition, and other external challenges. The business addressed these conditions by leveraging its engineering expertise, robust project management capabilities, and excellence in execution practices. The business continues to focus on sustainable growth, operational discipline, and customer satisfaction, which are integral to the Company's long-term success.

During the year, the Electro-Mechanical Projects business secured projects from several marquee clients, including ST Telemedia, Damani Hospitals, Raheja Group, L&T Realty, DLF, CapitaLand, GIFT City, CG Semicon, Tata Semiconductor, Premier Energies Global, and Apollo Tyres, among others.

Commercial Air Conditioning Systems

The commercial air conditioning market grew by 9% to approximately ₹5500 crore. Growth was primarily driven by segments such as industrial, hospitality, healthcare, government, and auditoriums. During the year, the Company focused on enhancing the quality and reliability of the electronics used in its ducted and VRF offerings. The Company also undertook channel expansion and market penetration initiatives, adding 57 dealers and expanding its presence to 11 new towns in the country. As a part of its supply chain resilience strategy, the Company indigenised the VRF cassette indoor units, which will be manufactured at its Sri City Plant.

The business undertook several strategic marketing initiatives to strengthen brand equity, including participation in prominent industry events such as the Data Centre Summit in Bengaluru, the Indian Institute of Architects Expo in Visakhapatnam, RACON 2025 in Kolkata, the ISHRAE event in Bhubaneswar, ACE Reflect in Goa, and the CII Data Centre Summit in Mumbai. In recognition of dealer performance, the business organised the Star League Awards in London, where top-performing dealers from FY25 were honoured across Diamond, Platinum, Gold, and Silver categories. A total of 65 dealers from across India received these awards in recognition of their contribution and performance.

The Company also focused on digital marketing initiatives targeting the residential VRF, educational, hospitality, and commercial segments. These campaigns significantly enhanced visibility for products such as VRF lite, VRF V plus, and ducted systems.

The Company maintained its leadership position in the ducted air conditioning and scroll chiller segments and remained amongst the top three players in the VRF and screw chiller categories. During the year under review, the Company's market share in the VRF and screw chiller segments was approximately 19% and 20%, respectively. The Company also continued to hold leading market shares of 53% in ducted air conditioning systems and 48% in scroll chillers.

During the year, the Commercial Air Conditioning business secured several notable orders across diverse sectors, underscoring the breadth of its market presence and execution capabilities. Key assignments included projects for Meril Life Sciences Private Limited, Vapi; District and Sessions Court, Indore; Kalaignar International Convention Centre, Chennai; India Exposition Mart Limited, Greater Noida; Balaji Chemicals, Solapur; JSW Cement Limited, Jodhpur; Airports Authority of India, Mangaluru; JSW Renewable Technologies Two Limited, Davangere; NTPC, Korba; JSW Motors, Pune; Sadhu Ram & Sons, Delhi; Tata Electronics, Chennai; Mahan Energen Limited, Waidhan; Kalinga Institute of Medical Sciences, Bhubaneswar; PCBL Chemical Limited, Chennai; Flextronics Technologies India Private Limited, Kanchipuram; Goldcrest Cement Private Limited, Neemuch; and Sister Nivedita University, Kolkata. These orders reflect the Company's continued strength across industrial, infrastructure, healthcare, institutional and commercial segments.

International Business Group

The Company continued to expand its global footprint in the Middle East and Africa through channel expansion and an increased focus on Blue Star-manufactured applied products and systems such as ducted splits, VRFs, and chillers. The Company made additional investments to strengthen its service network in the UAE, with further expansion planned in the coming years to support the growing installed base in the region. Despite prevailing macroeconomic uncertainties, business activities in the Middle East remained resilient. However, the project business in Qatar experienced a slowdown post the conclusion of the FIFA World Cup in 2022, while the Malaysian joint venture witnessed a slower recovery due to subdued construction activity and delays in order finalisation amid challenging market conditions.

In addition to its focus on the Middle East and African markets, the Company continued to strengthen its position as a Custom Design Manufacturing (CDM) partner for OEMs in the US and Europe within the residential, commercial heating, and cooling segment. During the year, the Company continued commercial shipments to the three OEMs despite the challenging macroeconomic environment. Although supplies have commenced, tariff-related uncertainties have delayed the originally envisaged scale-up plans. Nevertheless, given the level of enquiries received from OEMs in the US and Europe, the Company remains optimistic about the long-term prospects of this business.

The Company's international growth strategy necessitates continued investments in research and development, product portfolio expansion, and brand building across select geographies.

UNITARY PRODUCTS

Room ACs

During FY26, the Room Air Conditioners business was adversely impacted in the first quarter owing to the early onset of the monsoon and an overall mild summer season. However, demand recovered during the fourth quarter, supported by higher primary sales to channel partners in March, and channel stocking across regions ahead of the summer season.

The Company announced the launch of its new range of room air conditioners for summer 2026, further strengthening its presence in India's residential and commercial cooling segments. The portfolio comprises 125 models, including a flagship premium range, catering to a wide spectrum of customer requirements and usage environments. All models comply with the revised Bureau of Energy Efficiency (BEE) standards effective January 1, 2026. The expanded line-up has been developed to address the growing demand for energy-efficient and high-performance cooling solutions across diverse applications.

The expanded portfolio includes inverter, fixed-speed, and window air conditioners, catering to diverse customer segments across multiple price points. A key highlight of the portfolio is the launch of 'Iconia', a premium range featuring a midnight silver finish. The Company also introduced flagship offerings, including 'Super Energy-Efficient ACs', 'Heavy-Duty ACs', 'Hot & Cold ACs' and 'ACs with Anti-Virus Technology', to address evolving consumer preferences and usage requirements.

Nearly 50 models are Smart WiFi-enabled and offer features such as AI-driven adaptive cooling, customised sleep modes, voice command technology, and energy management capabilities. The range also incorporates advanced multi-layer filtration systems to enhance indoor air quality, along with convertible cooling modes, self-clean and defrost-clean technology, DigiQ Octa Sensors, and Nano BluProtect technology to enhance product durability and performance.

The Company further strengthened its market position through targeted campaigns aimed at driving ecommerce sales and by deploying in-store demonstrators across modern trade outlets. Through its 'Gold Standard Service' programme, supported by over 2100 service centres and more than 150 service vehicles, the Company continued to focus on delivering reliable and accessible customer service across the country. Since entering the residential air conditioning segment in 2011, the Company has consistently grown ahead of the industry and continues to target a market share of 15% in this segment.

Air Coolers

The Company expanded its air cooler portfolio with products incorporating cross-drift and dual-cool technologies designed to address varied cooling requirements during the summer season. The range offers high cooling efficiency and is available in water tank capacities ranging from 10 to 150 litres, catering to diverse customer needs and usage environments. To strengthen its presence in this category, the Company expanded its distribution network through the addition of new distributors, enabling deeper market penetration.

Commercial Refrigeration

The Commercial Refrigeration business caters to a wide range of sectors, including horticulture, dairy, ice cream, poultry, pharmaceuticals, and healthcare, through an extensive portfolio of refrigeration solutions. Its offerings include deep freezers, storage water coolers, bottled water dispensers, visi coolers and freezers, cold rooms, and specialised kitchen and healthcare refrigeration equipment. During the year, muted demand from the frozen food and quick-service restaurant (QSR) segments kept the deep freezers and cold rooms market largely stagnant. In contrast, the storage water coolers segment recorded double-digit growth, supported by demand from government and corporate customers.

The Company expanded its commercial refrigeration portfolio during the year with the introduction of energy-efficient deep freezers offering cooling capabilities of up to -26°C and capacities ranging from 60 to 600 litres for applications across dairy, ice cream, restaurants, and supermarkets. The portfolio also includes storage water coolers with capacities ranging from 15 to 400 litres for institutional and commercial applications, bottled water dispensers equipped with food-grade stainless steel tanks and bottom-loading configurations, and visi coolers and freezers available in capacities ranging from 50 to 1200 litres with enhanced display features. In addition, the Company offers integrated cold room solutions using PUF-insulated panels, kitchen refrigeration products such as reach-in chillers, blast freezers and minibars, specialised medical refrigeration equipment for temperature-sensitive storage applications, and multideck chillers and freezers designed for supermarket applications.

Supported by a diversified product portfolio, technological capabilities and a robust pan-India sales and service network, the Company continues to strengthen its position in the commercial refrigeration market and remains well placed to capitalise on future growth opportunities.

PROFESSIONAL ELECTRONICS AND INDUSTRIAL SYSTEMS

For over seven decades, the Professional Electronics and Industrial Systems (PE&IS) business has served as the exclusive distributor in India for a diverse portfolio of professional electronic equipment, industrial systems and services from leading global manufacturers. Over the years, the Company has transformed this business from a traditional distribution model into a systems integrator and value-added reseller, thereby moving up the value chain and enhancing the solutions offered to its customers. The business is managed by Blue Star Engineering & Electronics Limited, a wholly-owned subsidiary of the Company, and is structured into three key verticals: MedTech Solutions, Data Security Solutions, and Industrial Solutions. Each vertical is focused on delivering specialised, high-value solutions tailored to the evolving needs of its respective markets.

In FY26, the PE&IS business recorded a steady performance compared with the previous year. The MedTech segment encountered headwinds during the year, primarily due to regulatory developments relating to refurbished equipment, which affected overall performance. Nevertheless, the segment continued to focus on emerging opportunities in developing healthcare markets and service-led offerings. The Data Security segment witnessed improved traction, driven by demand from BFSI and large enterprises seeking to address evolving digital and compliance requirements, although decision-making cycles remained elongated. The Industrial Solutions segment continued to perform steadily, supported by consistent demand for precision-engineered components and integrated systems across sectors such as automotive, aerospace, heavy engineering, power, and oil and gas.

During the year under review, Blue Star Engineering & Electronics Limited established a new Customer Experience Centre (CEC) at MIDC, Pune. The facility is designed to provide customers with hands-on access to advanced testing, inspection, and calibration capabilities, while also supporting training programmes and seminars for the Industrial Solutions business. The business continued to focus on strengthening execution across key areas, including business development, digital enablement, and service delivery. These initiatives supported overall performance and further enhanced the business's preparedness for sustainable growth.

MEDIUM-TERM AND LONG-TERM STRATEGY

Strategic planning for the medium to long term, together with its execution and periodic review, remains integral to the Company's governance and growth framework. The Board continues to play a pivotal role in guiding the Company's strategic direction and ensuring alignment with the evolving business landscape. The Company actively monitors its internal priorities in the context of a dynamic external environment, while identifying and assessing key risks and opportunities that could affect the Company and its businesses (refer to Strategy Planning and Development in the Integrated Report on page no. 100).

FINANCIAL PERFORMANCE ANALYSIS

Following are the financial highlights of the Company for the year ended March 31, 2026, on a consolidated basis:

FY26 has been a challenging year with multiple headwinds affecting revenue and profitability across businesses. Despite the challenges, the Company's diversified portfolio has helped to report revenue growth during the year.

Consolidated financial performance analysis is provided below:

1. INCOME

For FY26, revenue grew 3.6% to ₹12401.99 crores as compared to ₹11967.65 crores in FY25. This growth was driven by robust demand in Electro-Mechanical Projects and Commercial Air Conditioning businesses.

2. COST OF SALES, WORK BILLS, AND SERVICES

Cost of sales, work bills, and services increased to ₹9542.10 crores as compared to ₹9074.35 crores in the previous year. This cost increased to 76.9% of the Revenue from Operations compared to 75.8% in the previous year. This year saw escalating commodity prices and heightened exchange rate volatility which resulted in aforementioned cost increase.

3. EMPLOYEE REMUNERATION AND BENEFITS

On an annual basis, employee costs were ₹918.13 crores in FY26 as compared to ₹918.87 crores in FY25, remaining broadly flat. Employee cost as a percentage of revenue improved from 7.7% in FY25 to 7.4% in FY26 on account of tighter new recruitments and other controls.

4. OPERATING AND GENERAL EXPENSES

Operating and general expenses (excluding Forex Gain/ Loss) declined by 7.4% to ₹1006.59 crores in FY26 from ₹1086.69 crores in FY25. The decline was largely on account of cost optimisation especially in marketing and advertising expenses.

5. FINANCE COST

Finance costs for FY26 were ₹72.14 crores as against ₹48.80 crores in FY25. The increase was primarily due to higher borrowing levels to support working capital requirements during the year.

6. DEPRECIATION

Depreciation and amortisation expense for FY26 was ₹178.79 crores vs ₹128.37 crores in FY25, reflecting asset additions and right-of-use asset accretion under Ind AS 116 during the year.

7. PROFIT BEFORE TAX

Profit before exceptional items and tax for FY26 stood at ₹741.94 crores compared to ₹772.42 crores in FY25, reflecting a marginal decline year-on-year. As a percentage of Total Income, Profit before exceptional items and tax stood at 5.95% in FY26 compared to 6.41% in FY25. This moderation is primarily attributable to higher depreciation and amortisation, and finance costs during the year.

8. KEY FINANCIAL RATIOS

Sr. No.	KEY FINANCIAL RATIOS	UOM	FY25	FY26
1	Debtors Turnover Ratio	Times	6.1	6.1
2	Inventory Turnover Ratio	Times	5.1	4.4
3	Interest Coverage Ratio	Times	33.4	19.1
4	Current Ratio	Times	1.3	1.3
5	Debt Equity Ratio (Gross)	Times	0.1	0.2
6	Operating Profit Margin	%	7.3	7.5
7	Net Profit Margin	%	4.9	4.2
8	Return on Net Worth	%	20.6	17.6

** Net Profit Margin and Net Worth ratios have been computed based on Profit after Tax (after exceptional Items).*

Explanation for variation of 25% or more in Key Financial Ratios:

Interest Coverage Ratio: The ratio declined to 19.1 times in FY26 compared to 33.4 times in the previous year. The higher average borrowing levels led to increase in finance costs which resulted in the drop of this ratio.

Debt Equity Ratio (D/E ratio): The D/E ratio declined from 0.1 times in FY25 to 0.2 times in the current year, due to higher borrowing levels. During the year, borrowing levels were higher than previous year to support the working capital requirements of the Company.

Return on Net Worth Ratio: Profitability for the year is lower than the previous year. However, the Company continues to invest in future capabilities, which has resulted in the Return on Net Worth being lower than the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an internal control system commensurate with the size, scale, and complexity of its operations. To strengthen its control environment and governance processes, the Company has adopted the COSO 2013 framework to ensure the adequacy of internal financial controls relating to operations, financial reporting, and compliance. In addition, the internal audit function reviews and reports to the Audit Committee on compliance with internal controls, the efficiency and effectiveness of operations, and key process risks. During the year, as part of Management's control testing initiative, the internal controls were tested and assessed to be effective. The Statutory Auditors, Deloitte Haskins & Sells LLP Chartered Accountants have issued an unmodified opinion on the standalone and consolidated financial statements for the financial year ended March 31, 2026, stating that the financial statements present a true and fair view in conformity with the applicable Indian Accounting Standards.

RISKS AND CONCERNS

RISKS

The primary risks that could impact the Company include a slowdown in construction activity and investment cycles, seasonality in certain businesses such as Room Air Conditioners, competition from domestic and global players, foreign exchange volatility, rising interest rates, credit risks, import dependence, procurement concentration risks, regulatory changes and tariff and non-tariff barriers, commodity price volatility, changes in tax and other legislations, inflation in fixed-price contracts, environmental, health and safety risks, exposure to fraud, cybersecurity threats, and technological changes affecting the Company's product offerings. In addition, evolving geopolitical developments and any slowdown in the global or domestic economy could intensify the risks faced by the Company and pose business continuity challenges.

The Company places significant emphasis on enterprise risk management and has implemented a robust framework for risk identification, assessment, and mitigation, supported by strong internal controls at both the business and corporate levels in line with the COSO 2017 Enterprise Risk Management framework. Significant risks across the entity are reviewed periodically by the Risk Management Committee. Further, mitigation action plans are integrated with strategic objectives, performance management processes, and internal audit plans (refer Risks and Mitigation Strategies covered in the Integrated Report on page no. 94).

CONCERNS

A confluence of factors on the global and domestic fronts, including geopolitical developments, the increasing use of tariff and non-tariff barriers to address trade imbalances, and volatility in crude oil prices, commodities, currencies and ocean freight rates, could impact consumer confidence and overall business sentiment. The Company will continue to closely monitor macroeconomic and industry trends and undertake appropriate measures to address these challenges.

OPPORTUNITIES

The Company's focus on innovation and its ability to offer products and solutions aligned with evolving market requirements continue to create opportunities for growth despite prevailing challenges.

The room air conditioner industry in India, supported by relatively low penetration levels, is expected to witness robust growth, with industry volumes estimated to increase from approximately 15 million units to 30 million units by FY30, representing a CAGR of 18–20%. The Company aims to strengthen its position in this segment and continues to pursue its market share target of 15%, compared with its current share of approximately 14.25% in value terms.

In the Electro-Mechanical Projects and Commercial Air Conditioning businesses, sustained demand from the manufacturing, data centre, industrial, hospitality, and healthcare sectors present favourable opportunities. In particular, the addressable MEP market for data centres, estimated at approximately ₹3500 crore, is expected to more than double over the next three years, creating a significant opportunity for the Electro-Mechanical Projects business.

The Company's expansion in international markets, including supplies to the US and Europe, particularly in air-to-water and air-to-air heat pumps, further broadens its growth avenues as a contract development and manufacturing partner for global OEMs.

These opportunities span the Company's products, projects, and service businesses across multiple sectors and are discussed in greater detail in the Integrated Report (refer Opportunities covered in the Integrated Report on page no. 104).

HUMAN RESOURCES

The Human Resources function continued to strengthen its role as a strategic business enabler by aligning workforce priorities with the Company's evolving business, operational, and transformation agenda. During the year, HR partnered closely with businesses and functions to support productivity enhancement, organisational restructuring, workforce scalability, and execution effectiveness across the organisation.

A key focus area during the year was strengthening workforce governance, operational resilience, and labour compliance across manufacturing units and project sites operating in complex and dynamic environments. HR worked closely with operational leadership teams to manage labour relations, support workforce model transitions, and ensure continuity of operations while maintaining adherence to statutory and regulatory requirements. Focused interventions were also undertaken to strengthen workforce deployment effectiveness, operational discipline, compliance awareness and safety practices, thereby reinforcing execution capability across the operating ecosystem.

The Company maintained stable industrial relations across locations during the year, with no major disruptions reported. Strategic workforce interventions, including contractor model transitions and permanency planning initiatives at select manufacturing locations, were undertaken in a calibrated manner to strengthen workforce stability, operational flexibility, and compliance alignment. The Company continued to engage constructively with unions, workmen, and local stakeholders to foster a collaborative and stable industrial relations environment.

In parallel, the Company strengthened workforce communication and field-connect mechanisms across locations to enhance responsiveness, alignment and execution efficiency. Platforms such as townhalls, HR helpdesks and Howdy HR sessions continued to enable structured employee interactions and timely resolution of workforce concerns. Synergy Plus, the Company's signature last-mile workforce connect initiative for project site personnel, continued to strengthen engagement and operational effectiveness across locations through focused capability-building sessions, customer-centricity interventions, and business communication programmes. The platform also enabled proactive resolution of field-level concerns and strengthened collaboration across project execution teams.

The Company also sustained its focus on employee well-being, workplace infrastructure, and safe working practices across offices, factories, and project locations through various wellness, workplace enhancement, and employee-support initiatives.

Overall, HR continued to play a critical role in enabling business continuity, strengthening workforce governance, and supporting the Company's long-term growth, operational excellence, and transformation agenda. The Company had a total of 3652 permanent employees on its rolls as of March 31, 2026.

CORPORATE OUTLOOK

FY26 was a challenging year for the Company, marked by multiple headwinds ranging from unseasonal rains that dampened demand for room air conditioners in the first quarter to the conflict in West Asia, which impacted supply chains and business sentiment towards the end of the year. Despite these challenges, the Company delivered consolidated revenue from operations of ₹12402 crore, representing growth of 3.6% over the previous year. This performance reflects the resilience of the Company's diversified portfolio, customer focus, and operational capabilities.

Building on the foundation laid over the past few years, the Company enters FY27 with a cautiously optimistic outlook across its core businesses, supported by operational resilience and strategic agility. The Room Air Conditioners business is expected to benefit from a favourable summer season and a broader product portfolio while the Company continues to pursue its target of achieving a 15% market share. In the Electro-Mechanical Projects business, the Company is positioned to benefit from growing opportunities in data centres and sustained momentum across the manufacturing, semiconductor, and electric vehicle sectors. In addition, the proposed India–US trade agreement, if concluded, could provide meaningful tailwinds to the Company's international business.

The Company remains focused on strengthening its supply chain and manufacturing footprint, enhancing operational efficiency, and maintaining prudent financial discipline amid rising input costs and foreign exchange volatility. These efforts are expected to support the Company's vision of growing faster than the market, enhancing its global presence, and creating long-term value through the development of a future-ready organisation.

The Dynamics of Blue Star's Growth

5 YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

		2025-26	2024-25	2023-24	2022-23	2021-22
OPERATING RESULTS						
Total Income	₹ Crores	12,463.90	12,042.65	9,732.78	8,008.19	6,099.80
EBITDA (before exceptional items excluding other income & Finance income)	"	930.41	875.92	664.94	492.78	346.47
Profit for the year after tax	"	527.33	591.28	414.31	400.69	168.00
Dividend (Including corporate dividend tax)	"	174.76	185.04	143.93	115.58	96.30
FINANCIAL POSITION						
Share Capital^	₹ Crores	41.12	41.12	41.12	19.26	19.26
Shareholders' Funds	"	3433.86	3067.62	2,612.63	1,333.84	1,020.54
Net Borrowings / (Net cash balance)	"	(175.45)	(640.35)	(455.93)	208.41	71.41
Net Capital Employed	"	3,258.41	2427.28	2,156.40	1,534.31	1,064.39
PERFORMANCE INDICATORS						
Revenue Growth	%	3.6	23.7	21.5	31.3	40.7
Gross Margin	%	23.1	24.2	23.7	22.5	21.9
EBITDA Margin (before exceptional items excluding other income & Finance income)	%	7.5	7.3	6.9	6.2	5.7
Earnings per Share^	₹	25.7	28.8	20.8	20.8	8.7
Dividend per Share^	₹	8.5	9.0	7.0	6.0	5.0
Book Value per Equity Share^	₹	167.0	149.2	127.1	64.9	49.6
Debt Equity Ratio (Net)	Ratio	NA	NA	NA	0.16	0.07
Capital Turnover Ratio	Ratio	4.4	5.3	5.2	6.1	6.9
Return on Shareholders' Funds**	%	17.6	20.6	21.0	23.0	17.9
Return on Capital Employed**	%	28.6	35.9	33.3	33.8	33.7
OTHER INFORMATION						
Number of Shareholders	Nos.	1,11,852	1,29,555	72,949	56,940	56,504
Number of Employees	"	3,652	3,523	3,465	3,132	2,723

Note :

Previous year figures have been regrouped wherever necessary to make them comparable with current year numbers.

*** Ratios calculated basis PAT (before exceptional items)/Profit Before Interest and Tax (PBIT) 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 [GRI 2-1, 2-2, 2-3]

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, 2025, to March 31, 2026
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.	Mr 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).**	Standalone
14.	Name of assurance provider	Intertek India Private Limited
15.	Type of assurance obtained	Reasonable Assurance obtained on the BRSR Core

II. Products/services [GRI 2-6]

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	Project Execution and and Commercial Air Conditioning Systems	Electro-Mechanical Projects and Commercial Air Conditioning Systems.	55
2	Manufacturing, trading and after-sales service	Unitary Products (room air conditioners, commercial refrigeration products and systems, water purifiers, air purifiers and air coolers).	45

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	55
2	Unitary Products (room air conditioners, commercial refrigeration products and systems, water purifiers, air purifiers and air coolers)	28191/28192	45

III. Operations [GRI 2-6]

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	27	32
International	0	0	0

**The wholly owned subsidiaries of Blue Star have 6 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)	36

b. What is the contribution of exports as a percentage of the total turnover of the entity?

6.74%

c. A brief on types of customers

Business segment	Type of customers
Electro-Mechanical Projects and Commercial Air Conditioning Systems	Key customers for this segment comprise: 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 [GRI 2-7, 2-8, 405-1, 401-1]

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)	3,190	2,842	89.09	348	10.91
2	Other than permanent (E)	1,589	1,510	95.03	79	4.97
3	**Total Employees (D+E)**	**4,779**	**4,352**	**91.07**	**427**	**8.93**
	WORKERS					
4	Permanent (F)	462	433	93.72	29	6.28
5	Other than permanent (G)	8,884	8,797*	99.02	87	0.98
6	**Total Workers (F+G)**	**9,346**	**9,230**	**98.76**	**116**	**1.24**

** The increase in the headcount of other than permanent workers is due to the inclusion of contractual workforce at project sites. The data for FY 2025–26 is based on CLRA filings for the calendar year 2025 (January to December).*

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)	1	1	100	0	0
6	**Total differently abled workers (F + G)**	**1**	**1**	**100**	**0**	**0**

- *Permanent Employees include management and non-management staff (M-staff + G-staff).*
- *Other than permanent employees include Fixed Term Contract (FTC) personnel and Fixed Term Equivalents (FTEs).*
- *Permanent Workers include only workers who are on the rolls of the Company.*
- *Other than Permanent workers include workers on third party roll and on contract.*
- *Apprentices have not been included in the Workforce.*
- *The increase in the headcount of other than permanent workers is due to the inclusion of contractual workforce at project sites. The data for FY 2025–26 is based on CLRA filings for the calendar year 2025 (January to December).*

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18
Key Management Personnel*	4	0	0.00

**Key Managerial Personnel includes two Managing Directors, Group Chief Financial Officer and Company Secretary & Compliance Officer.*

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.82	17.01	18.63	16	14.33	15.82	18.05	16.91	17.93
Permanent Workers	0.46	0	0.43	2.17	0	1.64	0.31	0	0.31

V. Holding, Subsidiary and Associate Companies (including joint ventures) [GRI 2-2]

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 [GRI 201-1]

24.

(i)	**Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**	Yes
(ii)	**Turnover (in Rs.)**	117,792,262,072.36
(iii)	**Net worth (in Rs.)**	30,597,517,738

VII. Transparency and Disclosures Compliances [GRI 2-25]

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 2026 Current Financial Year			FY 2025 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	Yes* https://www.bluestarindia.com/media/271526/code-of-conduct.pdf	0	0	NA	0	0	NA
Investors	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	19	0	NA	26	0	NA
Employees and workers	Yes https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf	3	2***	NA	4	2	NA
Customers	Yes https://www.bluestarindia.com/media/271525/whistle-blower-policy.pdf	28,85,156	28,026	NA	23,61,154	1,536	NA
Value chain partners	Yes https://consumer.bluestarindia.com/pages/service-support	1	0	NA	2	1	NA
Others	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.*

****There were 2 pending cases as on March 31, 2026. However, as on the date of publication of this report, there are no pending cases pertaining to FY26.*

26. Overview of the entity's material responsible business conduct issues [GRI 3-1, 3-2, 3-3, 201-2]

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.	• 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 priortise energy and resource efficiency, enhancing comfort in everyday living.	NA	Positive
3	Waste Management	Risk	Evolving environmental regulations, increasing stakeholder expectations on responsible disposal practices, and potential legal, operational, and reputational impacts arising from non-compliance.	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. 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.	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)
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
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	Blue Star remains committed in its efforts towards having a diverse and inclusive workforce at Blue Star through multiple conscious initiatives. 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. This will further strengthen Blue Star's brand and enhance reputation. Note – Blue Star Climatech Limited, a wholly owned subsidiary of Blue Star has females comprising 45% of its workforce.	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

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)
8	Sustainable Supply Chain	Risk	Dependence on imported and geographically concentrated suppliers for key components exposes Blue Star to supply chain disruptions, geopolitical uncertainties, regulatory changes, logistics constraints, and cost volatility, which may impact business continuity and operations.	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. 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. 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.	Negative
9	Health & Safety	Risk	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 all its manufacturing facilities, and revamp and electrical facility management operating sites.	Negative
10	Business Continuity	Risk	Blue Star operates across diverse markets and remains exposed to external factors such as pandemics, supply chain and demand fluctuations, operational disruptions, and natural or man-made events including floods, earthquakes, fires, and explosions, which may influence business continuity and overall performance.	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

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)
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) [GRI 2-23, 2-11]	Yes								
b. Has the policy been approved by the Board? (Yes/No) [GRI 2-23, 2-11]	Yes								
c. Web Link of the Policies, if Available [GRI 2-23, 2-11]	https://www.bluestarindia.com/about-us/guiding-policies								
2. Whether the entity has translated the policy into procedures. (Yes/No) [GRI 2-24, 2-10]	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No) [GRI 2-23]	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 14001:2015 ISO 45001:2018								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any. [GRI 3-3]	Blue Star is committed to be Net Zero in Scope 1 & 2 emissions. To support this commitment, Blue Star has implemented a range of sustainability initiatives, including energy-efficiency projects across its manufacturing facilities and robust mechanisms to monitor, measure, and manage carbon emissions. These initiatives are aligned with Blue Star's defined decarbonization goals and milestones, underscoring its commitment to environmental stewardship and sustainable growth. As part of its Net Zero roadmap, Blue Star has reduced the carbon footprint of its operations and commenced sourcing renewable energy to support its decarbonization goals. Further, all new factories and office establishments are designed to achieve Green Building Gold or Platinum certification standards.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. [GRI 3-3]	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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) [GRI 2-22, 2-12]	Our ESG framework is centred around three strategic pillars — Environmental Stewardship, Empowering People and Society, and Responsible Governance. We remain focused on enhancing resource efficiency, increasing the adoption of renewable energy, reducing waste through responsible practices, and delivering energy-efficient products and solutions. At Blue Star, sustainability is fundamental to our long-term strategy and value creation approach. We believe responsible business practices, operational excellence, and sustainable growth are intrinsically linked and essential to building a resilient future. Some of the key opportunities for Blue Star include strengthening ESG data collection and reporting across the value chain, building on initiatives already underway to enhance transparency and consistency. Blue Star is also progressing its adoption of emerging technologies, supporting continued improvement in product efficiency and cost competitiveness. In parallel, Blue Star is actively navigating and enabling the transition towards clean energy through its portfolio of energy-efficient and sustainable solutions. Blue Star is equally committed to fostering a safe, inclusive, and progressive workplace, while contributing meaningfully to the communities we serve through focused CSR initiatives in education, skill development, and sustainability research, including partnerships with premier institutions such as IIT Bombay. We are further advancing our commitment to sustainable infrastructure by transitioning our existing premises towards recognised green building certification standards, with several facilities already certified, and mandating that all upcoming developments are designed, constructed, and operated in compliance with green building requirements, thereby strengthening our overall environmental performance and long-term decarbonisation pathway. Sustainability governance at Blue Star is driven through strong leadership oversight and integrated business processes that reinforce accountability, transparency, and ethical conduct across the organisation. We value the continued trust and support of our stakeholders as we advance our commitment to responsible and sustainable growth.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). [GRI 2-13]	Vir S Advani, Chairman & Managing Director B Thiagarajan, 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. [GRI 2-9]	Yes. The Corporate Social Responsibility and Environmental, Social & Governance (ESG) Committee is responsible for decision making on sustainability related issues. The Committee comprises of the following members: 1. Sunaina Murthy, Chairperson 2. Anita Ramachandran 3. M S Unnikrishnan								

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. [GRI 2-5]	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No*	Yes**	Yes^	No*	No*	Yes^^^	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 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.

^^^ TUV Nord conducted the ISO 14001:2015 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)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
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

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year: [GRI 2-17, 2-24]

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	1	BRSR Principles	100
Key Managerial Personnel	3	POSH, Code of Conduct and BRSR Principles	100
Employees other than BoD and KMPs	1,193	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 Obligations) Regulations, 2015 and as disclosed on the entity's website): [GRI 2-27]

Monetary

	NGRBC Principle (P1 P2 P3 P4 P5 P6 P7 P8 P9)	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		

Non-Monetary

	NGRBC Principle (P1 P2 P3 P4 P5 P6 P7 P8 P9)	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
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. [GRI 2-27]

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 [GRI 2-23, 3-3]

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 Blue Star's website at https://www.bluestarindia.com/about-us/guiding-policies. Blue Star conducts its business with integrity and in compliance with applicable anti-bribery and anti-corruption laws. Blue Star expects its Employees and Business Partners to be aware of and follow all laws prohibiting bribery and other corrupt practices. Employees are forbidden to offer or accept an improper payment, bribe, gratification or kickback from an existing or potential stakeholder. 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. The mechanism enables reporting of any violation of the Code of Conduct through multiple channels, including a dedicated toll-free helpline, while ensuring protection against any form of reprisal or retaliation including discrimination, reprisal, harassment or vengeance. Blue Star treats all reported instances involving stakeholders with utmost seriousness and ensures appropriate investigation and action in accordance with its policies and applicable laws. To strengthen awareness and compliance, Blue Star mandates periodic web-based training programmes for all employees on the Code of Conduct and Anti-Bribery and Anti-Corruption practices. Additionally, periodic communication from the Chief Human Resource Officer is circulated to reinforce the whistle blower framework and encourage employees to report concerns without fear or hesitation.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption [GRI 205-1, 205-3]

Designation	FY26 Current Financial Year	FY25 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 [GRI 2-25, 2-15]

Particulars	FY26 (Current Financial Year)		FY25 (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
Number 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 inistitutions, on case of corruption and conflicts of interest [GRI 205-3]

NA

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/service procured) in the following format:

Particulars	FY26 Current Financial Year	FY25 Previous Financial Year
Number of days of accounts payables	106.38	130.45

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	FY26 Current Financial Year	FY25 Previous Financial Year
Concentration of Purchases	a.	Purchase from trading houses as % of total purchases	2.59	1.01
	b.	Number of trading houses where purchases are made from	45	37
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	95.39	97
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	51.01	52.48
	b.	Number of dealers / distributors to whom sales are made	3,094	5,490
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	19.48	19.15
Share of RPTs in*	a.	Purchases (purchases with related parties / Total Purchases)	15.79	16.81
	b.	Sales (Sales to related parties / Total Sales)	6.56	4.35
	c.	Loans and advances (Loans and advances given to related parties / Total loans and advances)	0	71.64
	d.	Investments (Investments in related parties / Total Investments made)	70.75	67.76

**includes transactions with wholly owned subsidiaries.*

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year: [GRI 2-24]**

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
5	Employee Health & Safety, Energy Footprint, Water Footprint, Waste Management, and Gender Diversity, Inclusive Development, GHG Footprint.	45.8*

**Indicates assessment percentage of upstream value chain partners.*

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 [GRI 2-10, 2-15]**

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

1. 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.

Blue Star continues to integrate sustainability and climate responsibility into its product development and capital investment strategy. Blue Star's R&D and capital expenditure initiatives are focused on improving energy efficiency, reducing environmental impact, strengthening resource efficiency, and enhancing the use of environmentally responsible technologies across product categories.

During FY 2025–26, Blue Star continued to prioritize the transition towards low global warming potential (GWP) refrigerants, progressing ahead of industry timelines through the development and commercialization of products utilizing R290 refrigerant technology. Sustainability considerations are embedded at the product design stage, with emphasis on minimizing lifecycle emissions, reducing energy consumption, lowering grid load, and improving indoor environmental quality.

Blue Star also continued to expand the adoption of inverter-based variable speed technologies across its portfolio, including room air conditioners, light commercial air conditioners, VRF systems, chillers, and ducted systems, thereby contributing to enhanced energy performance and lower operational emissions.

Key sustainability-focused R&D and product development initiatives undertaken during FY 2025–26 include:

- Comprehensive upgrade of the split air conditioner portfolio in line with revised BEE energy-efficiency norms, resulting in up to 13% higher efficiency in 3-Star models and 12% higher efficiency in 5-Star models.
- Development of two indigenously designed indoor unit platforms, reducing dependence on imported components and improving supply chain resilience.
- Achievement of full compliance with BEE Labelling 2.0 requirements for deep freezers effective January 2026, leading to improved energy efficiency across Hard Top and Glass Top variants.
- Expansion of the commercial refrigeration portfolio through development of cold room condensing and evaporating units compatible with low-GWP refrigerants such as R448A and R449A, in anticipation of evolving regulatory requirements.
- Introduction of the VI Plus VRF series featuring high-efficiency heat exchangers and indigenously developed three-phase inverter drives for BLDC motors.
- Commencement of commercial supply of R290-based monobloc air-to-water heat pumps in the European market, along with development of all-electric variants for residential space heating and domestic hot water applications.

These investments and initiatives reflect Blue Star's continued commitment to providing products and services in a sustainable, safe, and environmentally responsible manner, while also strengthening operational resilience and supporting long-term stakeholder value creation.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	57.98	51.37	FY 2025–26: Blue Star continued to strengthen its sustainability-focused product development initiatives through the introduction and enhancement of energy-efficient and environmentally responsible technologies across its portfolio. The development of star-rated air conditioners and deep freezers remained focused on reducing energy consumption, thereby contributing to lower grid demand and reduced lifecycle carbon emissions. Blue Star also expanded the adoption of low global warming potential (GWP) refrigerants across product categories. The use of R290 refrigerant (GWP of 3) in heat pump applications and R32 refrigerant (GWP of 675) in ducted and split air conditioning systems contributed towards lowering the global warming impact of Blue Star's installed product base. R290-based air-to-water heat pumps introduced by Blue Star offers an energy-efficient alternative to conventional electric and gas-fired water heating systems and support decarbonisation objectives in residential applications. In the cooling solutions segment, Blue Star developed a new range of brine chillers equipped with two-stage screw compressors and economizers, designed to serve process and pharmaceutical industry requirements in the temperature range of -5°C to -20°C with enhanced operational efficiency. Further, the development of cold room refrigeration units compatible with low-GWP refrigerants such as R448A and R449A supports the industry's transition towards environmentally preferable refrigeration solutions and aligns with evolving regulatory and sustainability expectations.
Capex	26.62	28.81	

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably? [GRI 308-1, 414-1]

Entity has procedures (Yes / No)	Yes
Percentage of inputs	79*

**79% of the input material is sustainably sourced in terms of spend value.*

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life [GRI 3-3, 306-2]

		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. 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.
(b)	E-waste	
(c)	Hazardous waste	NA
(d)	Other 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

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide web-link
Nil					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Nil		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY26 (Current Financial Year)	FY25 (Previous Financial Year)
During FY 2025–26, Blue Star eliminated wooden crate packaging for deep freezer glass by transitioning to 100% recycled plastic layer separators. Further, Blue Star also implemented usage of 20% recycled content in all domestic plastic packaging material, reinforcing our alignment with circular economy principles.		

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: [GRI 301-2, 301-3]**

Particulars	FY26 (Current Financial Year)			FY25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	1,457	0	0	835	0
E-waste	0	17,887	0	0	13,490	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. [GRI 301-2, 301-3]**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
AC	18
Visi Cooler	17
Deep Freezer	31
Cold Room	37
Air Cooler	34
Air Purifier	500

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: [GRI 401-2]**

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	2,842	2,842	100	2,842	100	0	0	0	0	2,842	100
Female	348	348	100	348	100	348	100	0	0	348	100
Total	**3,190**	**3,190**	**100**	**3,190**	**100**	**348**	**100**	**0**	**0**	**3,190**	**100**
Other Than Permanent employees											
Male	1,510	1,510	100	1,510	100	0	0	0	0	0	0
Female	79	79	100	79	100	79	100	0	0	0	0
Total	**1,589**	**1,589**	**100**	**1,589**	**100**	**79**	**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	433	433	100	433	100	0	0	0	0	433	100
Female	29	29	100	29	100	29	100	0	0	29	100
Total	**462**	**462**	**100**	**462**	**100**	**29**	**100**	**0**	**0**	**462**	**100**
Other Than Permanent workers											
Male	8,797	1,159	13.17*	8,797	100	0	0	0	0	2,286	25.99
Female	87	77	88.51	87	100	87	100	0	0	87	100
Total	**8,884**	**1,236**	**13.91**	**8,884**	**100**	**87**	**100**	**0**	**0**	**2,373**	**26.71**

Health insurance coverage for contractual workers at project sites is provided by the primary contractor.

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

Particulars	FY26 Current Financial Year	FY25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.10	0.12

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year. [GRI 201-3]**

Benefits	FY 2026 Current Financial Year			FY 2025 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	4	36.68	Y	1.62	55.49	Y
Gratuity	100	100	Y	100	100	Y
Others	0	100	NA	0	100	NA

**Excludes other than permanent workers at project sites.*

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers? (Yes/No). If not, whether any steps are being taken by the entity in this regard [GRI 3-3]

Yes, some of the office premises are accessible to differently abled employees. Blue Star ensures that all its new office premises are 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). [GRI 3-3]**

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. [GRI 401-3]**

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	0	0	0	0
Female	100	83.33	0	0
Total	**100**	**83.33**	**0**	**0**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. [GRI 2-25]

Category	Yes/No	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. 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. 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. 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.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: [GRI 2-30, 402-1, 407-1]

Category	FY26 Current Financial Year			FY25 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	**3,190**	**0**	**0.00**	**3,187**	**0**	**0.00**
Male	2,842	0	0	2,854	0	0
Female	348	0	0	333	0	0
Total permanent Workers	**462**	**199**	**43.07**	**386**	**189**	**48.96**
Male	433	199	45.96	371	189	50.94
Female	29	0	0	15	0	0

8. Details of training given to employees and workers: [GRI 403-5, 404-1, 404-2]

Category	FY26 Current Financial Year					FY25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Male	4,352	4,352	100	1,613	37.06	4,211	4,211	100	1,953	46.38
Female	427	427	100	304	71.19	411	411	100	361	87.83
Total	**4,779**	**4,779**	**100**	**1,917**	**40.11**	**4,622**	**4,622**	**100**	**2,314**	**50.06**
Workers										
Male	9,230	9,230	100	9,230	100	2,971	2,971	100	2,971	100
Female	116	116	100	116	100	96	96	100	96	100
Total	**9,346**	**9,346**	**100**	**9,346**	**100**	**3,067**	**3,067**	**100**	**3,067**	**100**

9. Details of performance and career development reviews of employees and worker: [GRI 404-3]

Category	FY26 Current Financial Year			FY25 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,352	3,899	89.59	4,211	2,557	60.72
Female	427	395	92.51	411	307	74.70
Total	**4,779**	**4,294**	**89.85**	**4,622**	**2,864**	**61.96**
Workers						
Male	2,835*	462	16.30	2,971	371	12.49
Female	116	29	25	96	15	15.63
Total	**9,346**	**462**	**4.94**	**3,067**	**386**	**12.59**

**Excludes other than permanent workers at project sites.*

10 Health and Safety Management System: [GRI 403-1, 403-2, 403-4, 403-6]

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage 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. The system covers the following key elements:

1. Establishment and implementation of the EHS Policy, including the recently rolled-out EHS Code of Conduct with Life Saving Rules to reinforce critical safety behaviours.
2. Identification and assessment of workplace hazards and risks through structured methodologies.
3. Defined procedures and protocols to mitigate risks and ensure employee safety.
4. Provision of appropriate training, tools, and resources to employees for safe work practices.
5. Regular monitoring, audits, and evaluation of safety procedures and performance.
6. Structured review of EHS performance by senior leadership, further strengthened through the Apex Safety Council, which reviews EHS performance across business verticals in a systematic manner.

7. Continuous improvement of occupational health and safety systems through stakeholder engagement, periodic reviews, audits, and enhanced communication initiatives such as Leadership monthly EHS mailers and theme-based weekly EHS campaigns.

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 part of the ISO 45001 system and is followed across all certified sites. Additionally, the process has been strengthened through:

- Encouragement of proactive hazard reporting via the newly introduced EHS Rewards and Penalty Policy, promoting reporting of Near Miss incidents and Near Miss Significant Injury Potential (NM-SIP) cases.
- Regular theme-based campaigns and awareness drives to improve hazard identification capabilities among employees and workers.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

Employees and workers are encouraged to report all types of hazards and incidents to their supervisors, who immediately initiate response actions through established SOS protocols. This process has been further strengthened through:

- The EHS Rewards and Penalty Policy, which incentivises proactive reporting of Near Miss incidents and discourages under-reporting.
- Enhanced communication channels including weekly EHS themes, leadership communications, and on-site campaigns, ensuring workers are aware of their right to report hazards and remove themselves from unsafe conditions.

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: [GRI 403-9, 403-10]

Safety Incident/Number	Category*	FY26 Current Financial Year	FY25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.22	0.34
Total recordable work-related injuries	Employees	0	0
	Workers	5	5
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

**Including contract workforce.*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace. [GRI 3-3, 403-2, 403-9, 403-10]

At Blue Star Limited, safety, health, and environmental responsibility remain integral to all operations. During FY26, Blue Star further strengthened its EHS framework through focused governance, compliance, awareness, and continuous improvement initiatives. Key measures undertaken include:

- Periodic audits and inspections to ensure compliance with applicable statutory and regulatory requirements.
- Strengthening EHS governance through the Apex Safety Council, which reviews EHS performance across business verticals and drives leadership accountability.

- Implementation of the EHS Code of Conduct and six Safety Life Saving Rules to reinforce critical safety practices across locations.
- Regular EHS awareness and communication initiatives, including leadership mailers, theme-based campaigns, and observance of key EHS days.
- Introduction of the EHS Rewards and Penalty Policy to encourage reporting of Near Miss incidents and proactive risk mitigation.
- Allocation of adequate financial and human resources for effective implementation of EHS systems and policies.
- Continuous engagement with employees, contractors, customers, and communities to strengthen safety culture and practices.
- Integration of EHS considerations into business processes through ongoing reviews, audits, and improvement initiatives.

13. Number of Complaints on the following made by employees and workers: [GRI 2-25]

Assessment Type	FY26 (Current Financial Year)			FY25 (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: [GRI 3-3]

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. [GRI 3-3, 403-9, 403-10]

- Blue Star continues to strengthen its health and safety framework through a comprehensive EHS Management System and proactive risk management practice.
- Detailed risk assessments are regularly conducted, supported by implementation of appropriate control measures, Safe Operating Procedures, and focused training programs for employees and contractors.
- Periodic inspections, audits, and leadership reviews are undertaken to enhance compliance and drive continuous improvement across operations.
- To strengthen preventive safety culture, Blue Star has introduced an EHS Rewards and Penalty Policy to encourage timely reporting and learning from Near Miss and NM-SIP incidents.
- Learnings from incidents and best practices are shared across locations through leadership communication and regular EHS awareness campaigns.
- Employee participation is further encouraged through initiatives such as Safety Day, World Environment Day, and structured engagement programs.
- Strategic oversight by the Apex Safety Council ensures continuous monitoring of key risks, implementation of corrective and preventive actions, and sustained improvement in workplace health and safety practices.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of: [GRI 401]**

   (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.**

   Blue Star 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: [GRI 3-3]**

Particulars	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	
	FY26 Current Financial Year	FY25 Previous Financial Year	FY26 Current Financial Year	FY25 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) [GRI 404-2]**

   Yes, Blue Star provides transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement on merit and as and when requested by the exiting employee.

5. **Details on assessment of value chain partners: [GRI 414-2]**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	29.24
Working Conditions	29.24

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

   Blue Star has established a program to embed safety culture across its channel partners. The initiative begins with one day EHS Culture Workshops conducted for channel partner owners, which are designed to strengthen their understanding of EHS responsibilities and encourage visible leadership in safety practices. Alongside these workshops, the Blue Star team carries out periodic audits of partner establishments to proactively identify non-conformities, share observations with owners, and monitor the implementation of corrective actions to close identified gaps. Regular EHS training programs are also delivered to channel partner employees and technicians, ensuring that safety awareness, competency, and compliance with established requirements are consistently reinforced.

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. [GRI 2-29]

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. [GRI 3-1, 2-29]

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	• 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 • Employee engagement initiatives aimed at fostering a healthy, enjoyable, and stress-free workplace culture.
Customers	No	Emails, in person engagements and meetings, website, web application, call centre, social media, advertisements.	Others - Ongoing	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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: [GRI 2-12, 2-13, 2-29]**

   Blue Star has established processes for engagement with key stakeholders on economic, environmental, and social matters. Stakeholder inputs are obtained through regular interactions, reviews, surveys, customer engagements, employee forums, and CSR initiatives, and are periodically presented to the Board and its Committees through the management. The Board reviews updates on business performance, sustainability initiatives, regulatory developments, employee matters, and stakeholder concerns, and provides strategic guidance on relevant ESG matters including briefings on significant updates, circulars, and amendments issued by authorities including SEBI and the Ministry of Corporate Affairs. The Board provides guidance and strategic direction based on these inputs, enabling informed decision-making and effective oversight of ESG-related matters.

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. [GRI 3-1]**

   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 Blue Star 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. [GRI 2-29]**

   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: [GRI 2-24, 205-2, 403-5, 404-1]

Category	FY26 Current Financial Year			FY25 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	3,190	3,190	100	3,187	3,187	100
Other than permanent	1,589	1,589	100	1,435	1,435	100
Total Employees	**4,779**	**4,779**	**100**	**4,622**	**4,622**	**100**
Workers						
Permanent	462	462	100	386	386	100
Other than permanent	8,884	8,884	100	2,681	2,681	100
Total Workers	**9,346**	**9,346**	**100**	**3,067**	**3,067**	**100**

2. Details of minimum wages paid to employees and workers, in the following format: [GRI 202-1, 405-2]

Category	FY26 Current Financial Year					FY25 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	**3,190**	**0**	**0**	**3,190**	**100**	**3,187**	**0**	**0**	**3,187**	**100**
Male	2,842	0	0	2,842	100	2,854	0	0	2,854	100
Female	348	0	0	348	100	333	0	0	333	100
Other than Permanent	**1,589**	**16**	**1.01**	**1,573**	**98.99**	**1,435**	**3**	**0.21**	**1,432**	**99.79**
Male	1,510	16	1.06	1,494	98.94	1,357	3	0.22	1,354	99.78
Female	79	0	0	79	100	78	0	0	78	100
Workers										
Permanent	**462**	**0**	**0**	**462**	**100**	**386**	**0**	**0**	**386**	**100**
Male	433	0	0	433	100	371	0	0	371	100
Female	29	0	0	29	100	15	0	0	15	100
Other than Permanent	**8,884**	**4,129**	**46.48**	**4,755**	**53.52**	**2,681**	**1,462**	**54.53**	**1,219**	**45.47**
Male	8,797	4,093	46.53	4,704	53.47	2,600	1,435	55.19	1,165	44.81
Female	87	36	41.38	51	58.62	81	27	33.33	54	66.67

3. Details of remuneration/salary/wages, in the following format: [GRI 2-19, 2-21]

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	36,64,000	2	36,14,000
Key Managerial Personnel**	4	8,31,89,884***	0	0
Employees other than BoD and KMP	2,842	14,39,335	348	10,27,889
Workers	433	27,876	29	15,000

**Board of Directors excludes two Managing Directors.*

***Key Managerial Personnel includes two Managing Directors, Group Chief Financial Officer and Company Secretary & Compliance Officer.*

****Excludes ESOP excercised if any during the year.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY26* Current Financial Year	FY25 Previous Financial Year
Gross wages paid to females as % of total wages	6.44	6.56

**Blue Star engages workers primarily through service contracts, wherein wages are disbursed directly by contractors and are therefore not monitored by the Company. However, the Company ensures adherence to all applicable statutory compliance requirements. In certain instances, contractors and subcontractors independently obtain labour licenses and file statutory returns under the Contract Labour (Regulation and Abolition) Act (CLRA). The data for FY 2025–26 is based on CLRA filings for the calendar year 2025 (January to December). Data collation and reporting processes remain largely manual. Blue Star is actively strengthening its wage reporting systems to enhance data accuracy, completeness, and alignment across reporting periods.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? [GRI 2-13]

Yes, we have the Ethics Committee and Internal Complaints Committee.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. [GRI 2-25]

- Blue Star upholds strong respect for human rights through its Code of Conduct, which forms the foundation for ethical behaviour, employee welfare, and responsible workplace practices.
- Blue Star maintains a strict zero-tolerance policy towards any form of harassment, including sexual, verbal, physical, or exclusionary conduct that may create an intimidating, hostile, or unfair work environment.
- Equal opportunity is actively promoted across all levels of the workforce, including permanent employees, contract labour, workmen, and third-party personnel engaged in Company operations.
- A robust Whistle Blower mechanism is in place, enabling employees and stakeholders to confidentially report concerns such as unethical practices, abuse of authority, fraud, conflict of interest, policy violations, or other misconduct.
- Structured grievance redressal mechanisms, including open house sessions and employee engagement forums, provide regular platforms for employees to raise concerns and share feedback.
- Employees are encouraged and supported to actively participate in grievance reporting and resolution processes, ensuring timely review, appropriate action, and continuous improvement in workplace practices.

6. **Number of Complaints on the following made by employees and workers: [GRI 2-25, 406-1]**

Complaint type	FY 26 Current Financial Year			FY 25 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	0	0	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	3	2	NA	2	1	NA

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY26 Current Financial Year	FY25 Previous Financial Year
Total Complaints reported under the Sexual Harassment on of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees / workers	0	0.50
Complaints on POSH upheld	0	2

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. [GRI 2-25]**

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? [GRI 2-23, 2-24, 414, 3-3]**

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:

Assessment Type	% of value chain partners (by value of business done with such partners) assessed
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at workplace	100
Wages	100
Others	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. [GRI 2-25, 3-3]

There was no such process modification/introduction required.

2. Details of the scope and coverage of any Human rights due-diligence conducted. [GRI 3-1, 3-3]

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, Blue Star fosters an inclusive and accessible workplace aligned with the Rights of Persons with Disabilities Act, 2016. Most facilities are equipped with ramps, designated parking spaces, and accessible elevators to support persons with disabilities.

4. Details on assessment of value chain partners: [GRI 414-1, 414-2]

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	29.24
Discrimination at workplace	29.24
Child Labour	29.24
Forced Labour/Involuntary Labour	29.24
Wages	29.24
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Blue Star through its comprehensive Code of Conduct, which is applicable to both internal employees and external stakeholders, promotes responsible business practices across its value chain. The Code of Conduct encompasses business ethics, labour standards, human rights, environmental stewardship, and health and safety, thereby providing a framework to address and manage environmental and human rights considerations throughout the value chain.

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: [GRI 302-1]**

Parameter	FY26 Current Financial Year	FY25 Previous Financial Year
From renewable sources (in Gigajoules)		
Total electricity consumption (A)	13,806.52	13,196.34
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**13,806.52**	**13,196.34**
From non-renewable sources (in Gigajoules)		
Total electricity consumption (D)	91,676.19	81,524.92
Total fuel consumption (E)	55,281.41	41,218.92
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**1,46,957.6**	**1,22,743.84**
Total energy consumed (A+B+C+D+E+F)	**1,60,764.12**	**1,35,940.18**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000001365	0.0000012
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000027405	0.00002452
Energy intensity in terms of physical output	1.448700845	1.24867935
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: [GRI 303-1, 303-3, 303-5]**

Parameter	FY26 Current Financial Year	FY25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,28,986.037	1,05,516.11
(iii) Third party water	64,256.39	61,307.09
(iv) Seawater / desalinated water	0	0
(v) Others	6,260.7	37,144.2
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,99,503.13**	**2,03,967.4**
Total volume of water consumption (in kilolitres)	**1,77,807.61**	**1,82,430.28**
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	0.00000151	0.000001611
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000030311	0.00003291
Water intensity in terms of physical output	1.602285602	1.67571445
Water 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

4. **Provide the following details related to water discharged: [GRI 303-4]**

Parameter	Treatment	FY26 Current Financial Year	FY25 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	21,695.52	21,537.12
(v) Others		0	0
Total water discharged (in kilolitres)		**21,695.52**	**21,537.12**

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? If yes, provide details of its coverage and implementation. [GRI 303-1, 303-2]**

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. We strictly adhere to all relevant guidelines and standards mandated by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB) to maintain STP and ETP standards.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: [GRI 305-7]**

Parameter	Please specify unit	FY26 Current Financial Year	FY25 Previous Financial Year*
NOx	MT	1.15	183.15
SOx	MT	0.37	45.15
Particulate matter (PM)	MT	0.64	198.72
Persistent organic pollutants matter (POP)	MT	0	0
Volatile organic compounds (VOC)	MT	0	0
Hazardous air pollutants (HAP)	MT	0	0
Others – please specify	MT	0	0

**For FY25, the emission data was reported in mg/Nm3.*

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

1. UniStar Environment and Research Labs Pvt. Ltd.
2. RB Enviro Laboratories (OPC) Private Ltd.
3. Environ Tech Laboratory
4. Envirocare Labs Pvt. Ltd.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: [GRI 305-1, 305-2, 305-3, 305-4]**

Parameter	Unit	FY26 Current Financial Year	FY25 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	4,210.36*	2,720.37
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	18080.58	16,463.5
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	0.000000189	0.00000017
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	0.0000038	0.00000346
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric Tonne / Metric Tonne	0.200871336	0.17621355
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric Tonne/INR	NA	NA

**Scope 1 fugitive emissions have been incorporated into the current reporting year's disclosures, unlike previous years. The inclusion of these emissions, enhances the completeness & transparency of the greenhouse gas inventory and strengthens alignment with assurance and audit requirements.*

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? [GRI 305-5]

Yes

If Yes, then provide details.

Saki Naka Office:

40 kWp rooftop solar system commissioned in November 2023. Achieved IGBC Net Zero Energy Certification in December 2024, demonstrating the office's commitment towards renewable energy adoption and energy-efficient operations.

Thane Office:

75 kWp rooftop solar system installed (50 kWp in 2022 and an additional 25 kWp in 2025), contributing to approximately 3% of the office's total energy consumption through renewable energy generation.

Chennai Office (Keyaram):

Entire power requirement is being sourced through a solar Power Purchase Agreement (PPA) with a third-party provider since 2022, enabling 100% renewable energy usage for office operations.

Wada Plant:

3.1 MWp rooftop solar system installed, contributing approximately 22% of the plant's total energy consumption through renewable energy sources.

Himachal Pradesh Plants:

HP-1: 620 kWp rooftop solar system commissioned in July 2025, contributing approximately 12% of the plant's total energy consumption through clean energy generation.

Dadra Plant:

130 kWp rooftop solar system installed (100 kWp in 2021 and an additional 30 kWp in August 2025), contributing approximately 3% of the plant's total energy consumption through renewable energy.

9. Provide details related to waste management by the entity, in the following format: [GRI 306-3, 306-4, 306-5]

Parameter	FY26 Current Financial Year	FY25 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	354.89	97.98
E-waste (B)	72.63	84.35
Bio-medical Waste (C)	0.05	0.08
Construction and demolition waste (D)	0	0
Battery Waste (E)	2.69	0.64
Radioactive Waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	313.71	356.2
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	6,453.39	6,978.62
Total (A + B + C + D + E + F + G + H)	**7,197.36**	**7,517.87**
Waste intensity per rupee of turnover (Total Waste generated / Revenue from operations)	0.000000061	0.00000007
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated / Revenue from operations adjusted for PPP)	0.000001227	0.00000136
Waste intensity in terms of physical output	0.064857889	0.06905535
Waste intensity (optional) – the relevant metric may be selected by the entity	0	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	603.21	415.84
(ii) Re-Used	0	0
(iii) Other recovery operations	0	0
Total	**603.21**	**415.84**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	16.04	10.5
(ii) Landfilling	338.68	361.18
(iii) Other disposal operations	6,069.4	6,599.21
Total	**6,424.12**	**6,970.90**

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. [GRI 306-2, 3-3]

Blue Star adheres to the E-Waste (Management) Rules, 2022, by ensuring that all e-waste generated is channelled exclusively through authorized recyclers for environmentally sound disposal and filing annual returns with the Central Pollution Control Board (CPCB).

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: [GRI 304-1]

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: [GRI 304, 413-1, 303-1]

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). If not, provide details of all such non-compliances, in the following format: [GRI 2-27]

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				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area — Not Applicable

(ii) Nature of operations — Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY26 Current Financial Year	FY25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
(ii) Into Groundwater	NA	NA
(iii) Into Seawater	NA	NA
(iv) Sent to third-parties	NA	NA
(v) Others	NA	NA
Total water discharged (in kilolitres)	NA	NA

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.

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 26 Current Financial Year	FY 25 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	-	-

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.

Not Applicable

Blue Star has initiated the inventorization of applicable Scope 3 emissions and will begin reporting them in the near future. This initiative forms an integral part of our Net-Zero journey.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

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: [GRI 3-3]**

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 heat pumps on cold room panel	At Wada plant, conventional electrical water heating used for platen heating has been replaced with energy-efficient heat pumps operating on a refrigerant cycle. This initiative has significantly improved heating efficiency and reduced initial platen heating time by approximately 50%.	Annual energy savings of 142,956 kWh
2	Replacement of Low-Pressure Air Compressors	At Wada plant, old and inefficient low-pressure air compressors were replaced with new energy-efficient models, resulting in improved operational efficiency and reduction in compressed air system energy consumption.	26% improvement in specific energy consumption
3	Optimization of Oxygen Plant Operation	At Wada plant, the oxygen plant was integrated with the new air compressor line, enabling shutdown of the dedicated low-pressure air compressor and reducing overall energy consumption.	Annual energy savings of 32,400 kWh
4	VFD systems	At Wada plant, Variable Frequency Drives (VFDs) have been installed across major equipment to optimise motor operations and reduce energy consumption during partial load conditions.	Annual energy savings of 12,000 kWh
5	Optimizing vacuum pump	At Dadra plant, continuous operation of vacuum pumps on assembly lines resulted in unnecessary energy consumption during idle conditions. Runtime optimisation was achieved by installing sensors and automated control panels to cut off power when the vacuum pumps were not in use, thereby reducing idle load energy consumption.	Energy savings of 21 kWh per shift
6	VFD systems	At HP plant, all pumps in the STP are equipped with VFD systems and the blowers are also operated through VFDs to optimise energy consumption based on operational requirements.	Annual energy savings of 48,618 kWh
7	HVLS fans	At HP plant, conventional fans were replaced with High Volume Low Speed (HVLS) fans, improving air circulation efficiency and reducing dependency on HVAC systems.	Annual energy savings of 14,577 kWh
8	Canteen waste composters	At Chennai, Hyderabad and Mumbai (Saki Naka) offices, organic waste composters have been installed to minimise waste sent to landfill. The compost generated is utilised for gardening and landscaping purposes within the premises.	Organic waste converted into manure for in-house gardening applications
9	Aerators to reduce water usage	Aerators and sensor-based water taps have been installed across offices to optimise domestic water consumption and minimise water wastage.	Reduction in water consumption across offices

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, all Business Divisions within Blue Star have Business Continuity Plans (BCPs) that are duly approved by the Management Committee of their respective businesses. The BCPs have been drawn up to encompass all operational aspects and undergo testing at scheduled intervals.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Blue Star through its comprehensive Code of Conduct, which is applicable to both internal employees and external stakeholders, promotes responsible business practices across its value chain. The Code of Conduct encompasses business ethics, labour standards, human rights, environmental stewardship, and health and safety, thereby providing a framework to address and manage environmental and human rights considerations throughout the value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. [GRI 308-1, 308-2]

29.24

8. (a) Green credits generated or procured by the entity

Nil

8. (b) Green credits generated or procured by top ten value chain partners (in terms of value of purchases and sales respectively)

Nil

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. [GRI 2-28]

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. [GRI 206-1, 3-3]

Name of authority	Brief of the case	Corrective action taken
NA, Blue Star does not engage in any anti-competitive conduct.		

Leadership Indicators

1. Details of public policy positions advocated by the entity: [GRI 2-28, 415]

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	Chairman of Western Region, CII • Create and sustain an environment conducive to the economic development of India with key focus on strategy formulation and policy advocacy for regional economy across Maharashtra, Gujarat, Goa, and Madhya Pradesh.	Participation in Regional Council, strategic policy formulation and advocacy	Yes	NA	NA
2	Chairman of the CII National Committee on CSR • Policy advocacy, stakeholder engagement, and strengthening CSR implementation frameworks	Participation in the CII National Committee, strategic policy formulation and advocacy for strengthening strategic CSR initiatives	Yes	NA	NA
3	Co-chairman of the CII National Committee on Technology, R&D and innovation • Expanding the eco-system for R&D to accelerate technology translation from research to commercialization through structured partnerships and supportive regulation.	Participation in the CII National Committee, strategic policy formulation for expansion of eco-system for R&D and innovation.	Yes	NA	NA
4	Member of the CII National Council • Create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.	Participation in the CII National Council, strategic policy formulation and advocacy	Yes	NA	NA
5	National Chairman of CII Indian Green Building Council • Expanding the footprint by green built environment. • Driving Net Zero principles & mission.	Driving Green Building movement, strategic policy formulation and advocacy	Yes	NA	NA
6	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 driving sustainable cooling	No	NA	NA
7	As the Past Chairman of CII National Committee on Consumer Durables and Electronics, formulating and driving implementation of sustainable growth strategy for the industry.	Participation 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
8	As the Past 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
9	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.	Participation in national committees and implementation of programmes for agricultural sustainability	Yes	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. [GRI 413-1, 203-1]

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		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: [GRI 413-1, 413-2]

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		

3. Describe the mechanisms to receive and redress grievances of the community. [GRI 3-3, 2-25, 413-1]

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: [GRI 204-1]**

Particulars	FY26 Current Financial Year	FY25 Previous Financial Year
Directly sourced from MSMEs/ small producers	26.94	35.56
Directly from within India	86.28	84.00

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	FY26* Current Financial Year	FY25 Previous Financial Year
Rural	0.57	0.13
Semi-urban	9.14	7.88
Urban	20.10	12.29
Metropolitan	70.18	79.70

**Blue Star engages workers primarily through service contracts, wherein wages are disbursed directly by contractors and are therefore not monitored by the Company. However, Blue Star ensures adherence to all applicable statutory compliance requirements. In certain instances, contractors and subcontractors independently obtain labour licenses and file statutory returns under the Contract Labour (Regulation and Abolition) Act (CLRA). The data for FY 2025–26 is based on CLRA filings for the calendar year 2025 (January to December). Data collation and reporting processes remain largely manual. Blue Star is actively strengthening its wage reporting systems to enhance data accuracy, completeness, and alignment across reporting periods. Job locations have been mapped based on the Company's offices, EPC project sites, and manufacturing facilities.*

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments**

Negative social impact	Corrective action
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
NIL			

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, Blue Star 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.

3. (b) From which marginalized /vulnerable groups do you procure?

None

3. (c) What percentage of total procurement (by value) does it constitute?

None

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Intellectual property	Owned / Acquired	Benefit shared	How benefit share was calculated
Not Applicable			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Authority name	Brief case	Corrective action
Not Applicable		

6. Details of beneficiaries of CSR Projects: [GRI 413-1, 203-1]

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Agroforestry	458	100
2	Eye Screening Camps	226	100
3	Mohan T Advani Scholarship programme	464	100
4	Resilient and sustainable water distribution system in urban areas	500	100
5	Stem Education Programme	6,545	100
6	Transforming learning outcomes in government schools	500	100
7	UDAAN - Creating sustainable livelihood for Persons with Disabilities (PwDs) and Young Women from Marginalized Backgrounds in Retail Sector	300	100
8	Vocational Training	90	100
9	Vocational Training programme - RKM	201	100
10	Vocational Training programme - Thakkar Bappa	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. [GRI 2-25, 2-29]

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: [GRI 417-1]

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: [GRI 418-1]

Complaint Type	FY26 Current Financial Year		Remarks	FY25 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber Security	1	0	During the year, Blue Star identified an instance of unauthorised access to certain product installation data and promptly initiated necessary measures to restrict access. Cyber security experts were engaged to assess the potential impact and undertake a detailed root cause analysis. The matter was disclosed to the stock exchanges in accordance with applicable regulatory requirements and as part of Blue Star's commitment to transparency and good governance.	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	28,85,155	28,026	NA	23,61,154	1,536	NA

4. Details of instances of product recalls on account of safety issues: [GRI 416-2]

Particulars	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) If available, provide a web-link of the policy. [GRI 2-23, 3-3, 418]

Policy available (Yes / No): Yes

Web Link: 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. [GRI 3-3]

During the year, Blue Star identified an instance of unauthorised access to certain product installation data and promptly initiated necessary measures to restrict access. Cyber security experts were engaged to assess the potential impact and undertake a detailed root cause analysis. The matter was disclosed to the stock exchanges in accordance with applicable regulatory requirements and as part of Blue Star's commitment to transparency and good governance.

7. Provide the following information relating to data breaches: [GRI 418-1]

a. Number of instances of data breaches

1

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of data breaches

During the year, Blue Star identified an instance of unauthorised access to certain product installation data and promptly initiated necessary measures to restrict access. Cyber security experts were engaged to assess the potential impact and undertake a detailed root cause analysis. The matter was disclosed to the stock exchanges in accordance with applicable regulatory requirements and as part of Blue Star's commitment to transparency and good governance.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). [GRI 2-6]

Channels/Platforms available (Yes / No)	Yes
Web Link:	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. [GRI 417, 3-3]

- The authorized channel partners of Blue Star are constantly informed about the safe usage of Blue Star's products which is in turn communicated to the end users as well.
- Responsible usage intimation of Blue Star's products is also carried out during the periodic service that takes place at the customer site.
- Further, all product manuals issued by Blue Star contain detailed instructions on product handling, safety measures, and correct usage procedures.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- Blue Star is committed to ensuring continuity of services to critical sectors such as healthcare and public services, with proactive communication to channel partners on potential service disruptions and demonstrated resilience during events such as the COVID-19 pandemic in maintaining essential operations.
- Blue Star provides remote monitoring solutions for installed chillers, enabling real-time alerts and proactive maintenance interventions to improve operational efficiency and reduce downtime.
- A robust Business Continuity Management System (BCMS) supported by defined Standard Operating Procedures (SOPs) is in place to ensure continuity of key processes and sustained delivery of products and services within defined timelines and capacities, even during disruptions. These measures collectively reinforce Blue Star's focus on service reliability, operational resilience, and uninterrupted customer support under varying operating conditions.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. 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). [GRI 417-1]

Product Information Over and Above (Yes / No / Not Applicable)

Yes

Survey carried out (Yes / No)

Yes

(i) Customer satisfaction survey through SMS & Voice from Call Centre for Service Calls; and

(ii) External survey is conducted once in 2 years. Conducted in Q4FY25.

intertek
Total Quality. Assured.

Independent Reasonable Assurance Statement to Blue Star Limited on their Business Responsibility & Sustainability Report (BRSR) Core Disclosures as part of the Integrated Annual Report FY2025-26.

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 FY2025-26 ("the Report"). The scope of the Report comprises the reporting periods of FY2025-26. 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 FY 2025-26 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, 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:

Blue Star Limited | BRSR FY2025-26 | Reasonable Assurance Statement

Page 1 of 3

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 necesaary in the circumtances. 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 FY 2025-26. Our assurance task was planned and carried out during Mar-May 2026. 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 2025 to 31st March of 2026 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 reviewed the BRSR Core Indicators in the "Report" for the reporting period from 1st April 2025 to 31st March 2026. 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	Shilpa Naryal	SANDEEP VIG
Poonam Sinha	**Shilpa Naryal**	Digitally signed by SANDEEP VIG
Intertek Verifier	Head of Sustainability Intertek South Asia & MENAP	Date: 2026.05.06 19:10:19 +05'30'
2026/05/05	2026/05/06	

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.

Blue Star Limited | BRSR FY2025-26 | Reasonable Assurance Statement

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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 the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2026, and 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 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, 2026, their consolidated profit and their consolidated other 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 ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and 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, 25, 28 and 49 to the consolidated financial statement)	Principal audit procedures 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. 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.

Sr. No.	Key Audit Matter	Auditor's Response
		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. vi. identified onerous contracts to record a provision for expected costs to be incurred till completion of the contract.
2	**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, credit worthiness and ability of counterparties to make payment. (Refer Note 16B and 13 to the consolidated financial statement)	**Principal audit procedures performed:** i. evaluated the design and implementation of internal controls over the review of valuation of trade receivables and contract assets. ii. tested the operating effectiveness of the said internal controls for selected samples. 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. iv. verified subsequent receipts for selected samples, post balance sheet date. v. verified the management's estimates for provision of expected credit loss in terms of Ind AS 109 on Financial Instruments.

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 and 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 Company 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 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 Company 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 ₹ 497.17 Crore as at March 31, 2026, total revenues of ₹ 1040.25 Crore and net cash outflows amounting to ₹ 1.47 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit of ₹ 0.56 Crore for the year ended March 31, 2026, 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 and our opinion on the consolidated financial statements, 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 reports of the other auditors.

    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 ₹ 0.03 Crore as at March 31, 2026, 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, 2026, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements / financial information have 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 these subsidiaries 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

1. 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 of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) 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 and the reports of the other auditors.

c) 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.

d) In our opinion, the aforesaid consolidated 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 of the Parent Company as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its, subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 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 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 company 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, the remuneration paid by the Parent Company 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 Company and its subsidiary companies incorporated in India.

   iv) (a) The respective Managements of the Parent Company 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 Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company 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 Company 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 respectively 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 Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company 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 Company have proposed final dividend for the year which is subject to the approval of the members of the Parent Company 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 Company and its subsidiary companies, incorporated in India have used accounting software system for maintaining their respective books of account for the financial year ended 31st March 2026 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 system. Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, 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.

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 Company, 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
Membership No. 100459
UDIN-26100459OKQHRM7836

Place: Mumbai
Date: May 06, 2026

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, 2026, 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 and 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 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 and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to 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 and 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 of the other auditors referred to in the Other Matters paragraph below, the Parent and 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, 2026, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Ketan Vora
Partner
Membership No. 100459
UDIN-26100459OKQHRM7836

Place: Mumbai
Date: May 06, 2026

Consolidated Balance Sheet

as at March 31, 2026

₹ Crores

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
A ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	1,361.15	1,234.17
(b) Capital work-in-progress	5	65.47	73.36
(c) Investment property	6	6.62	7.09
(d) Right-of-use assets	7	173.63	181.12
(e) Intangible assets	8A	155.56	113.33
(f) Intangible assets under development	8B	71.40	49.81
(g) Investment in joint venture	9	21.94	17.94
(h) Contract assets	16B	2.94	-
(i) Financial assets			
(i) Loans	10	23.31	20.05
(ii) Other financial assets	11	98.70	31.45
(j) Income tax assets (net)	27	113.70	122.59
(k) Deferred tax assets	27	9.26	8.90
(l) Other non-current assets	16A	84.03	84.92
Total non-current assets		**2,187.71**	**1,944.73**
2. Current assets			
(a) Inventories	12	2,166.20	2,149.15
(b) Contract asset	16B	723.56	832.45
(c) Financial assets			
(i) Investments	9	435.26	414.12
(ii) Trade receivables	13	2,139.70	1,959.37
(iii) Cash and cash equivalents	14	366.99	425.59
(iv) Other bank balances	15	35.08	6.33
(v) Loans	10	4.81	4.60
(vi) Other financial assets	11	62.32	43.64
(d) Other current assets	16A	454.35	477.52
Total current assets		**6,388.27**	**6,312.77**
Total assets		**8,575.98**	**8,257.50**
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	41.12	41.12
(b) Other equity	18	3,390.29	3,023.90
Equity attributable to equity holders of the Company		**3,431.41**	**3,065.02**
2. Non controlling interest		2.45	2.60
Total equity		**3,433.86**	**3,067.62**
3. Non-current liabilities			
(a) Contract Liabilties	24B	8.01	11.28
(b) Financial liabilities			
- Lease liabilities	22	123.75	138.69
(c) Provisions	25	52.77	25.31
(d) Government grants	26	10.62	16.90
(e) Deferred tax liabilities	27	31.60	13.45
(f) Other non-current liabilities	24A	49.11	39.86
Total non-current liabilities		**275.86**	**245.49**
4. Current liabilities			
(a) Contract liabilities	24B	302.92	269.89
(b) Financial liabilities			
(i) Borrowings	20	626.80	199.36
(ii) Lease liabilities	22	59.44	42.95
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	277.97	267.98
(b) Total outstanding dues of creditors other than micro and small enterprises	21	2,664.89	3,159.64
(iv) Other financial liabilities	23	58.66	63.93
(c) Government grants	26	1.33	1.52
(d) Other current liabilities	24A	686.50	754.42
(e) Provisions	25	136.49	111.08
(f) Income tax liabilities (net)	27	51.26	73.62
Total current liabilities		**4,866.26**	**4,944.39**
Total equity and liabilities		**8,575.98**	**8,257.50**

Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.	1 to 53		

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 06, 2026

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

₹ Crores

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	28	12,401.99	11,967.65
Other income	29	61.91	75.00
Total income (I)		**12,463.90**	**12,042.65**
Expenses			
Cost of materials consumed (including direct project and service cost)	30	8,410.89	7,943.80
Purchase of stock-in-trade	30	1,235.35	1,411.83
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(104.15)	(281.29)
Employee benefits expenses	31	918.13	918.87
Finance costs	32	72.14	48.80
Depreciation and amortisation expenses	33	178.79	128.37
Other expenses	34	1,011.37	1,098.52
Total expenses (II)		**11,722.52**	**11,268.90**
Profit before share of profit of a joint venture, exceptional items and tax (I-II)		**741.38**	**773.75**
Share of profit / (loss) of joint venture		0.56	(1.33)
Profit before exceptional items and tax		**741.94**	**772.42**
Exceptional items	35	(38.83)	12.51
Profit before tax		**703.11**	**784.93**
Tax expense			
(i) Current tax	27	157.82	188.87
(ii) Deferred tax charge	27	17.96	4.78
Total tax expenses		**175.78**	**193.65**
Profit for the year		**527.33**	**591.28**
Other comprehensive income			
(A) Item that will not be reclassified to profit or loss			
Re-measurement gains / (loss) on defined benefit plans		(2.13)	(2.08)
Income tax relating to items that will not be reclassified to profit or loss	27	0.60	0.52
(B) Item that will be reclassified to profit or loss :			
Foreign currency translation reserve		17.77	5.12
Income tax relating to items that will be reclassified to profit or loss	27	-	-
Other comprehensive income for the year		**16.24**	**3.56**
Total comprehensive income for the year		**543.57**	**594.84**
Profits for the year attributable to :			
Owners of the Company		527.68	591.24
Non-controlling interests		(0.35)	0.04
Other comprehensive income attributable to :			
Owners of the Company		15.98	3.50
Non-controlling interests		0.26	0.06
Total comprehensive income for the year attributable to :			
Owners of the Company		543.66	594.74
Non-controlling interests		(0.09)	0.10
Earnings per share (face value of ₹ 2 per share)	36		
Basic (in ₹)		25.65	28.76
Diluted (in ₹)		25.65	28.76
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.	1 to 53		

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 06, 2026

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(A) EQUITY SHARE CAPITAL

For the year ended March 31, 2026

₹ 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

** Indicates amount less than ₹ 1 Lakh for 21,818 equity shares held as treasury shares under ESOP Trust.*

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

(B) OTHER EQUITY

For the year ended March 31, 2026

₹ 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 earnings (refer note 18)	Foreign currency translation reserve (refer note 18)	
Balance as at April 1, 2025	1,171.11	2.34	0.60	43.43	150.52	3.70	1,630.39	21.81	3,023.90
Profit for the year	-	-	-	-	-	-	527.68	-	527.68
Adjustment during the year	-	-	-	-	-	-	-	-	-
Other comprehensive Income for the year (net of tax)	-	-	-	-	-		(1.53)	17.77	16.24
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**526.15**	**17.77**	**543.92**
Dividend (refer note 19)	-	-	-	-	-	-	(185.05)	-	(185.05)
Shared based payment expenses	-	-	-	-	-	7.48	-	-	7.48
Impact of ESOP Trust consolidation	-	-	-	-	-	-	0.04	-	0.04
Balance as at March 31, 2026	**1,171.11**	**2.34**	**0.60**	**43.43**	**150.52**	**11.18**	**1,971.53**	**39.58**	**3,390.29**

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 earnings (refer note 18)	Foreign currency translation reserve (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 (net of tax)	-	-	-	-	-	-	(1.56)	5.12	3.56
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**589.68**	**5.12**	**594.80**
Dividend (refer note 19)	-	-	-	-	-	-	(143.92)	-	(143.92)
Shared based payment expenses	-	-	-	-	-	3.70	-	-	3.70
Impact of ESOP Trust consolidation	-	-	-	-	-	-	-	-	
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**

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements. 1 to 53

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 06, 2026

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**703.11**	**784.93**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	178.79	128.37
Finance cost	72.14	48.80
Rental income	(0.55)	(0.52)
Interest income	(11.49)	(15.02)
Equity settled share-based payment expenses	7.48	3.70
Gain on disposal of current investments measured at FVTPL (net)	(23.90)	(34.89)
Unrealised exchange rate difference (net)	0.75	1.22
Loss on disposal of property, plant and equipment (net)	2.73	4.55
Profit on disposal of investment property	-	(12.51)
Deferred income arising from government grant	(6.47)	(2.71)
Share in (profit) / loss of joint venture	(0.56)	1.33
Unrealised gain on commodity hedging	-	1.37
Bad debts written off and provision for doubtful debts	10.57	42.32
Provisions and liabilities written back	(48.49)	(29.65)
Gain on termination of lease	(0.66)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**883.45**	**921.29**
Adjustments for movement in working capital :		
(Increase)/decrease in trade receivables	(167.29)	(44.42)
(Increase)/decrease in inventories	(16.90)	(741.93)
(Increase)/decrease in financial assets / other assets	(34.52)	(217.73)
(Increase)/decrease in contract assets	105.95	(102.00)
Increase/(decrease) in trade payables	(462.20)	831.55
Increase/(decrease) in financial liabilities / other liabilities	(60.12)	126.88
Increase/(decrease) in contract liabilities	29.76	45.23
Increase/(decrease) in government grants	(1.55)	9.60
Increase/(decrease) in provisions	49.51	41.18
Cash generated from operations	**326.09**	**869.65**
Income taxes paid (net of refunds)	(172.28)	(181.58)
Net cash generated from operating activities (A)	**153.81**	**688.07**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work in progress, intangible assets under development, capital adances and capital creditors]	(329.03)	(372.03)
Government grants toward purchase of equipments	1.55	2.71
Proceeds from disposal of property, plant and equipment	6.68	3.40
Proceeds from disposal of investment property	-	19.00
Proceeds from disposal of current investments measured at FVTPL	6,596.83	5,543.05
Purchase of current investments measured at FVTPL	(6,594.06)	(5,673.37)
Investment in deposits	(50.40)	-
Maturity of deposits	0.03	-
Rent received	0.55	0.52
Interest received	9.09	12.73
Net cash used in investing activities (B)	**(358.76)**	**(463.99)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Commercial papers borrowed	2,700.00	925.00
Commercial papers repaid	(2,500.00)	(925.00)
Repayment of other current borrowings (net)	224.17	43.24
Repayment of lease liabilities	(50.88)	(28.11)
Finance cost paid	(51.39)	(32.85)
Initial cost on issue of equity shares	-	(0.54)
Dividend paid to equityholders of the Company	(184.76)	(143.92)
Net cash generated / (used) in financing activities (C)	**137.14**	**(162.18)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	**(67.81)**	**61.90**
Cash and cash equivalents at the beginning of the year	420.13	357.29
Effect of exchange differences on restatement of foreign currency cash and cash equivalents.	4.97	0.94
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**357.29**	**420.13**

Consolidated statement of cash flows

for the year ended March 31, 2026

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
– In current accounts	146.77	153.79
– In fixed deposits	219.87	271.51
Cash on hand	0.35	0.29
Total cash and cash equivalents (refer note 14)	**366.99**	**425.59**
– Bank overdraft (refer note 20)	(9.70)	(5.46)
Balance as per statement of cash flows	**357.29**	**420.13**

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, 2026:

₹ Crores

Particulars	Current borrowings	Lease liabilities
Balance as at the beginning of the year	**199.36**	**181.64**
Cash flows during the year (net)	424.17	(50.88)
Prepaid interest on commercial papers	(1.80)	-
Bank overdraft	4.24	-
Variation in foreign exchange	0.83	-
Balance as at the end of the year (excluding interest liability on borrowings)	**626.80**	**130.76**
Non cash changes due to :		
- Acquisitions under finance lease	-	34.68
- Interest on finance lease	-	17.75
Balance as at the end of the year (including interest liability on borrowings)	**626.80**	**183.19**

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2025:

₹ Crores

Particulars	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)
Prepaid interest on commercial papers	-	-
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**

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements. 1 to 53

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

Ketan Vora
Partner
Membership No. 100459

Mumbai: May 06, 2026

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter 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 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, 2026. 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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

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,

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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 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

Notes to the Consolidated Financial Statements

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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 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.

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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.

The incremental borrowing rate is determined based on the specific terms of the lease, including its tenure, currency and commencement date, and is derived using a combination of observable market data and entity-specific inputs such as the risk-free rate based on relevant government bond yields, appropriate country-specific risk premiums, and credit risk adjustments reflecting the entity's own credit profile, along with any further adjustments required to reflect differences in the entity's risk characteristics where applicable.

(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 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

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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 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.

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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 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.

The cost of property, plant and equipment comprises its purchase price, including applicable import duties and non-refundable taxes, and any directly attributable costs required to bring the asset to the location and condition necessary for it to operate as intended. Costs incurred on replacement of significant components are recognised in the carrying amount of the asset when the recognition criteria are met. All other repairs and maintenance costs are recognised in profit or loss as incurred.

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 & machinery (Pattern, moulds and dies)	5-20
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.

Notes to the Consolidated Financial Statements

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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	30-60

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.

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.

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(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 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

Notes to the Consolidated Financial Statements

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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 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.

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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 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 (legal or constructive) 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

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for the year ended March 31, 2026

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 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 ASs effective from April 01, 2025

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, 2026, MCA has notified below amendments to the Ind ASs that are effective for an annual period that begins on or after 1 April 2025.

Amendments to Ind AS 21 The Effect of Changes in Foreign Exchange Rates titled Lack of Exchangeability.

Amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures titled Supplier Finance Arrangements

Amendments to Ind AS 1 Presentation of Financial Statements.

Amendments to Ind AS 12 Income Taxes titled International Tax Reform Pillar Two Model Rules. The Company has evaluated the new pronouncements or amendments and there is no impact on its Financial Statements.

New and amended Ind ASs issue but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. At the date of authorisation of these financial statements, the Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Amendments to Ind AS 1 Presentation of Financial Statements: Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e., after the reporting date but before approval of the financial statements) agrees not to demand payment.

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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 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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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, 2026

4. PROPERTY PLANT AND EQUIPMENT

₹ Crores

Particulars	Land - freehold	Leasehold Improvements	Buildings	Plant & equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
Gross carrying value									
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**
As at April 1, 2025	15.33	79.85	402.39	951.67	25.34	23.09	78.43	36.25	1,612.36
Additions during the year	-	8.47	24.76	164.30	8.31	4.49	26.92	10.40	247.65
Disposals during the year	-	(0.05)	(0.61)	(25.12)	(0.28)	(0.76)	(11.46)	(0.66)	(38.94)
Foreign currency translation	-	0.09	0.25	0.13	0.16	0.19	0.09	0.13	1.04
As at March 31, 2026	**15.33**	**88.36**	**426.79**	**1,090.98**	**33.53**	**27.01**	**93.98**	**46.12**	**1,822.11**
Accumulated Depreciation									
As at April 1, 2024	-	10.05	60.31	195.74	7.65	6.90	20.75	29.20	330.60
Disposals / Retirements during the year	-	(0.04)	(10.92)	(8.78)	(1.75)	(0.90)	(4.15)	(12.92)	(39.46)
Transfers	-	-	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**
As at April 1, 2025	-	12.98	58.85	241.03	7.64	8.78	26.51	22.41	378.19
Disposals / Retirements during the year	-	(0.05)	(0.56)	(20.51)	(0.22)	(0.66)	(7.54)	(0.62)	(30.16)
Depreciation charged for the year	-	4.12	14.63	63.19	2.59	4.18	15.56	8.66	112.93
As at March 31, 2026	**-**	**17.05**	**72.92**	**283.71**	**10.01**	**12.30**	**34.53**	**30.44**	**460.96**
Net Book Value									
As at March 31, 2026	15.33	71.31	353.87	807.27	23.52	14.71	59.45	15.69	1,361.15
As at March 31, 2025	15.33	66.87	343.54	710.64	17.70	14.33	51.92	13.84	1,234.17

Note :

1. All the title deeds of immovable property (other than properties on lease) are in the name of the Group.
2. Depreciation capitalised towards research and development expenditure for property, plant and equipment for year ended March 31, 2026 is ₹ 4.80 crore (March 31, 2025 ₹ 6.44 crore).

₹ Crores

Asset Held for Sale	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	-	-
Add : Additions during the year	-	2.11
Less : Discard and disposals made during the year	-	(2.11)
Balance as at the end of the year	**-**	**-**

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for the year ended March 31, 2026

5. CAPITAL WORK-IN-PROGRESS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	73.36	108.06
Add : Additions during the year	239.76	319.47
Less : Capitalisation during the year	(247.65)	(354.17)
Balance at the end of the year	**65.47**	**73.36**

Ageing of Capital work-in-progress

₹ Crores

Particulars	As at March 31, 2026					As at March 31, 2025				
	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	52.81	12.14	0.52	-	**65.47**	67.90	5.46	-	-	**73.36**
Projects suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	**52.81**	**12.14**	**0.52**	**-**	**65.47**	**67.90**	**5.46**	**-**	**-**	**73.36**

Note:

1. Refer note 38(b) for disclosure of contractual commitment for acquisition of property, plant and equipment.
2. 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.
3. 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, 2024	17.91
Additions during the year	-
Disposals / transfers during the year	(7.71)
As at March 31, 2025	**10.20**
As at April 1, 2025	10.20
Additions during the year	-
Disposals / transfers during the year	-
As at March 31, 2026	**10.20**
Accumulated Depreciation	
As at April 1, 2024	8.19
Disposal during the year	(5.59)
Depreciation charged for the year	0.51
As at March 31, 2025	**3.11**
As at April 1, 2025	3.11
Disposal during the year	-
Depreciation charged for the year	0.47
As at March 31, 2026	**3.58**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

6. INVESTMENT PROPERTY (Contd..)

Particulars	₹ Crores
Net Book Value	
As at March 31, 2026	**6.62**
As at March 31, 2025	7.09
Fair Value # (refer note 43)	
As at March 31, 2026	**19.03**
As at March 31, 2025	17.75

 # 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 assets	Area (Sq. ft.)	Period
Building (Sahas)	2,050	5 years

(ii) Disclosure in respect of assets given on operating lease included in following heads :

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Investment property	*	*

** Indicates amount less than ₹ 1 lakh*

Movement in Fair Valuation of Investment Property

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**17.75**	**35.99**
Add : Increase in fair valuation	1.28	0.57
Less : Disposal of investment property	-	(18.81)
Balance as at the end of the year	**19.03**	**17.75**

Information regarding Income & Expenditure of Investment property

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property	0.55	0.52
Direct operating expenses (including repairs and maintenance) associated with rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	0.55	0.52
Less : Depreciation charged during the year	(0.46)	(0.51)
Profit arising from investment property before indirect expenses	**0.09**	**0.01**

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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for the year ended March 31, 2026

7. RIGHT OF USE ASSETS

₹ Crores

Particulars	Land - leasehold	Building	Total
Gross carrying value			
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**
As at April 1, 2025	13.88	276.75	**290.63**
Additions during the year	-	43.16	**43.16**
Disposals / transfers during the year	-	(6.74)	**(6.74)**
As at March 31, 2026	**13.88**	**313.17**	**327.05**
Accumulated Amortisation			
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**
As at April 1, 2025	1.19	108.32	**109.51**
Amortisation for the year	0.74	43.17	**43.91**
As at March 31, 2026	**1.93**	**151.49**	**153.42**
Net Book Value			
As at March 31, 2026	**11.95**	**161.68**	**173.63**
As at March 31, 2025	**12.69**	**168.43**	**181.12**

Note: Depreciation capitalised towards research and development expenditure for right of-use assets for year ended March 31, 2026 is ₹ 3.16 crore (March 31, 2025 ₹ 3.52 crore).

8A. INTANGIBLE ASSETS

₹ Crores

Particulars	Technical knowhow (Internally generated)	Software (Acquired)	Total
Gross carrying value			
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**
As at April 1, 2025	97.67	155.49	**253.17**
Additions during the year	45.12	27.18	**72.30**
Disposals / transfers during the year	(0.78)	(0.16)	**(0.94)**
As at March 31, 2026	**142.01**	**182.51**	**324.52**
Amortisation			
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**
As at April 1, 2025	39.68	100.16	**139.84**
Disposals / transfers during the year	(0.24)	(0.08)	**(0.32)**
Amortisation for the year	13.68	15.76	**29.44**
As at March 31, 2026	**53.12**	**115.84**	**168.96**
Net Book Value			
As at March 31, 2026	**88.89**	**66.67**	**155.56**
As at March 31, 2025	**57.99**	**55.32**	**113.33**

Notes to the Consolidated Financial Statements

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8B. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development		
Balance as at the beginning of the year	49.81	19.00
Add : Additions during the year	93.89	76.90
Less : Capitalisation during the year	(72.30)	(46.09)
Balance as at the end of the year	**71.40**	**49.81**

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	Paid up value per share	As at March 31, 2026 No. of Shares / No. of units	As at March 31, 2026 ₹ Crores	As at March 31, 2025 No. of Shares / No. of units	As at March 31, 2025 ₹ Crores
I. Non-current investments					
Unquoted (accounted under equity method)					
Investment in joint ventures (refer note 41)					
Blue Star M & E Engineering (Sdn) Bhd	MR 1	3,67,500.00	21.94	3,67,500.00	17.94
Blue Star Oman Electro-Mechanical Co. LLC (refer note a. below)	OMR 1	2,55,000.00	-	2,55,000.00	-
Total non-current investments			**21.94**		**17.94**
Aggregate amount of unquoted investment at cost			**21.94**		**17.94**
II. Current investments					
Investment in mutual funds measured at FVTPL					
Investment in units of unquoted mutual funds					
Growth Scheme					
HDFC Mutual Fund		27,744.904	15.01	19,667.50	10.02
ICICI Mutual Prudential Mutual Fund		8,30,740.438	33.40	22,81,982.577	85.95
SBI Mutual Fund		21,93,338.414	25.06	-	-
UTI Mutual Fund		1,24,610.158	50.46	3,23,471.223	99.00
Aditya Birla Mutual Fund		15,35,323.855	60.21	6,23,430.93	26.81
Axis Mutual Fund		1,54,907.529	37.07	1,27,147.352	36.66
Kotak Mutual Fund		1,62,31,547.757	86.39	1,19,11,486.427	56.83
Nippon India Mutual Fund		43,242.339	29.16	2,39,822.529	98.85
TATA Mutual Fund		66,71,677.244	66.96	-	
DSP Mutual Fund		41,889.140	16.51	-	
HSBC Mutual Fund		54,738.556	15.03	-	-
Total current investments			**435.26**		**414.12**
Aggregate amount of unquoted investments at FVTPL			**435.26**		**414.12**

Note a : Investment in joint venture - Blue Star Oman Electro - Mechanical Co. LLC

The Company holds 51% shareholding in Blue Star Oman Electro-Mechanical Co. LLC. However, the profit/loss sharing is on 50-50 basis and the investment is therefore accounted for as a joint venture. During FY19, the Company decided to exit from this joint venture. The Company has made an application to the Reserve Bank of India for its approval for a write-off of loans and investment in this Joint Venture under the provisions of the Foreign Exchange Management Act.

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
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	**-**	**-**

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10. LOANS (UNSECURED UNLESS OTHERWISE STATED)

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost				
Loans to employees, considered good	23.31	20.05	4.81	4.60
Loan to joint venture - credit impaired (related party refer note 39)	4.46	4.46	-	-
Less : loss allowance (refer note 9a)	(4.46)	(4.46)	-	-
Total loans	**23.31**	**20.05**	**4.81**	**4.60**

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 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Security deposits, considered good	45.97	27.77	27.11	11.99
Security deposits, credit impaired	-	-	2.96	2.91
Less: Loss allowance	-	-	(2.96)	(2.91)
	45.97	**27.77**	**27.11**	**11.99**
Bank deposit more than 12 months maturity (including accrued interest thereon) (refer note a)	25.73	3.68	-	-
Profit linked incentive receivable	27.00			18.00
Other financial assets	-	-	32.78	13.65
(Includes grant receivable and insurance claim receivable etc.) (refer note c)				
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
foreign exchange forward contracts (refer note b)	-	-	2.43	-
Total other financial assets	**98.70**	**31.45**	**62.32**	**43.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

11. OTHER FINANCIAL ASSETS (Contd..)

(a) Margin money deposits

Margin money deposits with a carrying amount of ₹ 3.64 Crores (As at March 31, 2025 : ₹ 3.68 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) Other financial assets

Grant receivable includes grant receivable from Mr. Ashok M. Advani (promoter) to boost research and development activities of the Parent Company.

12. INVENTORIES

(Valued at lower of cost and net realisable value)

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	965.72	1,047.23
Work-in-progress	155.46	154.68
Finished goods	447.28	374.00
Stock-in-trade	524.00	493.92
Stores and Spares	73.74	79.32
Total Inventories	**2,166.20**	**2,149.15**
Inventories includes Goods-in-transit		
Raw materials & components	128.91	181.76
Finished goods	69.48	39.84
Stock-in-trade	115.06	54.66
Total goods-in-transit	**313.45**	**276.26**

The above inventory values are net of provisions made of ₹ 45.63 Crores (March 31, 2025 ₹ 36.53 Crores) for slow moving, obsolete and defective inventory.

13. TRADE RECEIVABLES

₹ Crores

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - unsecured	2,241.52	2,033.23
Trade receivables - credit impaired	56.68	95.81
	2,298.20	**2,129.04**
Less : Allowance for doubtful debts and credit loss	(158.50)	(169.67)
Total trade receivables	**2,139.70**	**1,959.37**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**169.67**	**147.33**
Add : Impairment loss recognised (refer note 34)	21.05	44.94
Less : Allowances provided earlier written back	(11.17)	(4.16)
Less : Allowances provided earlier written off as bad debts (refer note 34)	(23.45)	(18.44)
Add : Effect of foreign currency transalation	2.40	-
Balance as at the end of the year	**158.50**	**169.67**

14. CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Balances with banks:		
- In current accounts	146.77	153.79
- Deposits with original maturity of less than 3 months	219.87	271.51
Cash on hand	0.35	0.29
Total cash and cash equivalents	**366.99**	**425.59**

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

15. OTHER BANK BALANCES

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Other bank balances		
- Unpaid dividend * (refer note - 23)	3.91	3.62
- Deposit with original maturity of more than 3 months but less than 12 months	31.17	2.62
- Cash and bank balance not available for immediate use	-	0.09
Total other bank balances	**35.08**	**6.33**

** The Group has earmarked these balances only towards settlement of unpaid dividend and fractional shares*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

16A. OTHER ASSETS

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Retention	-	-	111.88	105.09
Capital advances	16.98	16.12	-	-
Balance with statutory authorities (refer note a below)	65.02	63.74	167.27	168.01
Less: Loss Allowances	(5.80)	(5.80)	-	-
Balance with statutory authorities (Net)	**59.22**	**57.94**	**167.27**	**168.01**
Advances to suppliers	-	-	83.34	109.17
Less: Loss Allowances	-	-	(1.00)	(1.00)
Advances to suppliers (Net)	**-**	**-**	**82.34**	**108.17**
Prepaid expenses	7.83	10.86	84.60	81.75
Government grant receivable	-	-	8.26	14.50
Total other assets	**84.03**	**84.92**	**454.35**	**477.52**

Note a :

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 liability.

16B. CONTRACT ASSETS

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Contract assets (Unsecured, considered good)	2.94	-	745.83	861.32
Less: Loss allowances	-	-	(22.27)	(28.87)
Total contract assets (net)	**2.94**	**-**	**723.56**	**832.45**

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	28.87	39.12
Impairment loss recognised / (reversal)	27.33	14.02
Less: Allowances provided earlier written off	(33.93)	(24.27)
Balance as at the end of the year	**22.27**	**28.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

16B. CONTRACT ASSETS (Contd..)

Ageing of trade receivables

₹ Crores

Particulars	As at March 31, 2026						
	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	1,019.86	987.44	89.82	86.32	24.96	33.12	2,241.52
Trade receivables - credit impaired	-	0.15	1.19	8.06	14.43	32.85	56.68
	1,019.86	**987.59**	**91.01**	**94.38**	**39.39**	**65.97**	**2,298.20**
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**
Total trade receivables	**1,019.86**	**987.59**	**91.01**	**94.38**	**39.39**	**65.97**	**2,298.20**
Allowance for doubtful debts and credit loss	-	-	-	-	-	-	(158.50)
Total trade receivables	**1,019.86**	**987.59**	**91.01**	**94.38**	**39.39**	**65.97**	**2,139.70**

₹ Crores

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	994.62	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	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**
Total trade receivables	**994.88**	**837.06**	**112.92**	**81.37**	**48.19**	**54.62**	**2,129.04**
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 the Consolidated Financial Statements

for the year ended March 31, 2026

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 Apri 1, 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**
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2026	**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 Apri 1, 2024	**20,56,14,788**	**41.12**	-	-	-	-	-	-
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2025	**20,56,14,788**	**41.12**	-	-	-	-	-	-
Increase/(Decrease) during the year	(21,818)	*	-	-	-	-	-	-
At March 31, 2026	**20,55,92,970**	**41.12**	-	-	-	-	-	-

** Indicates amount less than ₹ 1 Lakh*

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, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	**20,56,14,788**	**41.12**	**20,56,14,788**	**41.12**
Less : Treasury shares held undere ESOP trust (refer note a below)	(21,818)	*	-	-
Balance as at the end of the year	**20,55,92,970**	**41.12**	**20,56,14,788**	**41.12**

Note :

(a) Shares Held Under Esop Trust:

The Parent has implemented the Blue Star Employees Stock Option Scheme 2024 ("ESOP 2024") to incentivize employees, under which up to 500,000 stock options may be granted, each convertible into one equity share of face value ₹2, subject to vesting and exercise conditions. The scheme is administered through the Blue Star ESOP Trust (the "Trust") to facilitate acquisition and transfer of shares to employees. Blue Star Sahayata Foundation (BSSF), a Trust settled by the Promoters of the Parent, has authorised its Trustees to transfer from time to time, equity shares of the Parent held by BSSF to ESOP Trust. For accounting purposes, the Trust is consolidated and shares held by it are treated as treasury shares and presented as a deduction from equity until transferred to employees upon exercise.

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	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	2,39,11,202.00	11.63%	2,39,11,202.00	**11.63%**
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	1,55,69,860.00	7.57%	1,55,69,860.00	**7.57%**

Aggregate number of equity shares as bonus, shares issued for consideration other than cash

Pursuant to approval given by the shareholdes 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Shareholding pattern of promoters and changes in holding during the year

Share held by promoters at the end of the year		As at March 31, 2026			As at March 31, 2025		
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	2,454,992	1.19%	0.00%	2,454,992	1.19%	0.00%
Vir S Advani	Promoter	2,230,731	1.08%	0.82%	2,212,550	1.08%	2.95%
Ria Talati Advani	Promoter Group	28,300	0.01%	0.00%	28,300	0.01%	0%
Sunaina Murthy	Promoter	2,145,050	1.04%	0.00%	2,145,050	1.04%	0%
Dinesh Nanik Vaswani	Promoter	53,888	0.03%	0.00%	53,888	0.03%	0%
Suneeta Nanik Vaswani	Promoter Group	1,654,644	0.80%	0.00%	1,654,644	0.80%	0%
Rohina Lulla	Promoter Group	4,349,260	2.12%	0.00%	4,349,260	2.12%	(6.02)%
Anissa Khanna	Promoter Group	4,265,646	2.07%	0.00%	4,265,646	2.07%	0%
Nargis Suneel Advani	Promoter Group	2,273,872	1.11%	0.00%	2,273,872	1.11%	0%
Sanjay N Vaswani	Promoter Group	243,950	0.12%	0.00%	243,950	0.12%	0%
Armaan Sandeep Murthy	Promoter Group	100,000	0.05%	0.00%	100,000	0.05%	0%
Jay Talati Advani	Promoter Group	100,000	0.05%	0.00%	100,000	0.05%	0%
Sumer Sandeep Murthy	Promoter Group	100,000	0.05%	0.00%	100,000	0.05%	0%
Uday Vir Advani	Promoter Group	100,000	0.05%	0.00%	100,000	0.05%	0%
Anita Ashok Advani*	Promoter Group	-	0.00%	(100.00)%	60,000	0.03%	0%
Dev Khanna	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Preeti Vaswani	Promoter Group	53,700	0.03%	0.00%	53,700	0.03%	0%
Vistra Itcl (India) Limited as a Trustee of Ashok M Advani Family Private Trust	Promoter Group	23,911,202	11.63%	0.00%	23,911,202	11.63%	
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	15,569,860	7.57%	0.00%	15,569,860	7.57%	0%
Ashok Mohan Advani as a Trustee of Suneeta Padmi Trust	Promoter Group	1,175,344	0.57%	0.00%	1,175,344	0.57%	(0.83)%
Vistra Itcl (India) Limited as a Trustee of NSA Family Trust	Promoter Group	4,600,000	2.24%	0.00%	4,600,000	2.24%	0%
Vistra Itcl (India) Limited as a Trustee of SNA Family Trust	Promoter Group	4,600,000	2.24%	0.00%	4,600,000	2.24%	0%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Share held by promoters at the end of the year		As at March 31, 2026			As at March 31, 2025		
Name of Promoters		Number of shares	% of total shares	% Changes during the year	Number of shares	% of total shares	% Changes during the year
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	1,174,784	0.57%	0.00%	1,174,784	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	1,174,780	0.57%	0.00%	1,174,780	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	1,174,780	0.57%	0.00%	1,174,780	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	1,174,778	0.57%	0.00%	1,174,778	0.57%	2.31%
J.T. Advani advisory Private Limited	Promoter Group	104,344	0.05%	0.00%	104,344	0.05%	0%
Iman Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Rana Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Ashwin Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	0%
Nandeeta Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	0%
Celina Mendoza	Promoter Group	30,000	0.02%	100.00%	-	-	-
Sunhil Sippy	Promoter Group	39,188	0.01%	100.00%	-	-	-

** Anita Ashok Advani passed away on November 13, 2024.*

18. OTHER EQUITY

₹ Crores

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
I	**Security Premium**		
	Balance at the beginning of the year	**1,171.11**	**1,171.11**
	Add: Issue of bonus equity shares	-	-
	Add: Premium on allotment of equity shares	-	-
	Less: Expenses on allotment of equity shares	-	-
	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	**Capital reserve**	**43.43**	**43.43**
V	**General Reserve**	**150.52**	**150.52**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

18. OTHER EQUITY (Contd..)

₹ Crores

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
VI	**Share based payments reserve**		
	Balance at the beginning of the year	**3.70**	**-**
	Add : Share based payment expenses	7.48	3.70
	Balance at the end of the year	**11.18**	**3.70**
VII	**Retained Earnings**		
	Balance at the beginning of the year	**1,630.39**	**1,184.64**
	Add: Profit for the year	527.68	591.24
	Less : Other comprehensive Income for the year (net of tax)		
	[Re-measurement gains/(losses) on defined benefit plans]	(1.53)	(1.56)
	Less: Dividend	(185.05)	(143.92)
	Add : Impact of ESOP Trust consolidation	0.04	-
	Balance at the end of the year	**1,971.53**	**1,630.39**
VIII	**Foreign currency translation reserve**		
	Balance at the beginning of the year	21.81	16.69
	Add: Income for the year (net of tax)	17.77	5.12
	Balance at the end of the year	**39.58**	**21.81**
	Total other equity	**3,390.29**	**3,023.90**

I **Securities premium reserve** - 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". The Parent may issue fully paid-up bonus shares to its members out of the securities premium and Parent can use this reserve for buy-back of shares.

II **Capital redemption reserve** - Capital redemption reserve was created for buy-back of shares.

III **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.

IV **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.

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 **Share based payment reserve** - The Parent 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 52 for further details of the scheme.

VII **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.

VIII **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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

19. DIVIDEND DISTRIBUTION MADE AND PROPOSED

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Dividend declared and paid during the year :		
Final dividend for the year ended March 31, 2025 : ₹ 9 per equity share (March 31, 2024 : ₹ 7 per equity share)	185.05	143.92
Dividend distribution tax	-	-
Total dividend declared and paid	**185.05**	**143.92**
Proposed dividend on equity shares :		
Final dividend recommended by the board of directors for the year ended March 31, 2026 : ₹ 8.5 per equity share (March 31, 2025 : ₹ 9 per equity share) subject to approval at the ensuing annual general meeting.	174.77	185.05
	174.77	**185.05**

20. BORROWINGS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Current Borrowings		
Secured		
Working capital demand loan from banks (note a,b,c & d)	80.00	-
Cash credit / bank overdrafts (note a)	9.70	-
Unsecured		
Short term loan from Bank (note a)	-	50.00
Working capital demand loan from Bank (note a, b, c & d)	240.00	45.00
Commercial papers		
- From banks (note e)	297.10	98.90
Cash credit / bank overdrafts (note a)	-	5.46
Total current borrowings	**626.80**	**199.36**
Aggregate secured loans	89.70	-
Aggregate unsecured loans	537.10	199.36
Total borrowings	**626.80**	**199.36**

a. Working capital loan repayable on demand from banks amounting to ₹ 80 crores as at March 31, 2026 is secured by hypothecation of inventories and trade receivables of the Company as a whole and also to the extent of individual bank limit as mentioned in joint consortium documents.

b. The carrying amount of assets hypothecated as security for current borrowing limits are:

₹ Crores

Particulars	As at March 31, 2026
Trade receivable	2,007.36
Inventory	1,852.85
Other current assets (retention)	67.16

c. Outstanding loans carry an interest rate ranging from 6.40% to 7.55% p.a. (March 31, 2025 : 7.44% - 7.46% p.a.).

d. 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.

e. Commercial papers carry interest rate 7.18% - 7.35% @ p.a. for the current year (March 31, 2025 : 7.45% p.a.). These are repayable within 90 days from the date of drawdown.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

20. BORROWINGS (Contd..)

f. The Group has not been declared as wilful defaulter by any bank, financial institutions or other lender.

g. The Group has utilised the funds borrowed from banks and financial institution for the purpose it was taken.

h. 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.

21. TRADE PAYABLES

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro and small enterprises	277.97	267.98
Total outstanding dues of creditors other than micro and small enterprises	2,664.89	3,159.64
Total trade payable	**2,942.86**	**3,427.62**

Ageing of payables

₹ Crores

Particulars	As at March 31, 2026					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	429.85	-	-	-	-	429.85
Undisputed						-
Dues to micro and small enterprises	233.71	38.37	3.83	1.16	0.89	277.96
Dues of creditors other than micro and small enterprises	1,933.86	275.78	8.05	6.62	10.67	2,234.98
	2,597.42	**314.15**	**11.88**	**7.78**	**11.56**	**2,942.79**
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	0.07	0.07
	-	**-**	**-**	**-**	**0.07**	**0.07**
Total payables	**2,597.42**	**314.15**	**11.88**	**7.78**	**11.63**	**2,942.86**

₹ Crores

Particulars	As at March 31, 2025					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	501.27	-	-	-	-	501.27
Undisputed						
Dues to micro and small enterprises	243.26	21.24	1.78	0.48	1.22	267.98
Dues of creditors other than micro and small enterprises	1,999.22	627.57	13.25	7.56	10.35	2,657.95
	2,743.75	**648.81**	**15.03**	**8.04**	**11.57**	**3,427.20**
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	0.08	0.34	0.42
	-	**-**	**-**	**0.08**	**0.34**	**0.42**
Total payables	**2,743.75**	**648.81**	**15.03**	**8.12**	**11.91**	**3,427.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

NOTE 21A. SUPPLIER FINANCE ARRANGEMENTS

1 Nature of supplier finance arrangements

The Company has arrangements with certain banks and Trade Receivable Discounting System (TReDS) platform to facilitate early payment of invoices to eligible suppliers through bill discounting or similar mechanisms ("supplier finance arrangements").

Under these arrangements, participating banks and TReDS platform make payments to suppliers for invoices accepted by the Company. The Company settles the corresponding amount with the banks and TReds platform in accordance with the original contractual payment terms agreed with the supplier. The Company does not provide any collateral, security or financial guarantees in respect of these arrangements, other than confirmation of the underlying trade payable. Participation by suppliers is voluntary.

These arrangements do not result in any change to the underlying commercial terms, including pricing or credit period, agreed between the Company and its suppliers.

2 Key terms

The credit period under such arrangements is the same as the original credit period agreed with the vendor.

The Group does not incur any interest cost, discount charges or other fees under these arrangements. Any financing cost is borne by the participating suppliers except for one of the subsidiary wherein subsidiary Company incur interest cost, other fees under these arrangements.

3 Accounting policy and classification

Trade payables covered under supplier finance arrangements continue to be recognised as **trade payables** and classified as **current financial liabilities**.

These balances are not classified as borrowings, as the obligation arises from the normal course of business, there is no substantive modification of the liability, and the payment terms are not extended. Trade payables are measured at amortised cost.

4 Carrying amounts

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables under supplier finance arrangements	429.85	501.27
Other trade payables	2513.01	2926.35
Total trade payables	**2942.86**	**3427.62**

5 Maturity profile

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Up to 3 months	380.96	440.64
3 to 6 months	48.89	60.63
6 to 12 months	-	-
Total	**429.85**	**501.27**

The maturity analysis is based on contractual payment dates.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

22. LEASE LIABILITIES

₹ Crores

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities	123.75	138.69	59.44	42.95
Total lease liabilities	**123.75**	**138.69**	**59.44**	**42.95**

₹ Crores

Movement in lease liabilities	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**181.64**	**76.31**
Addition during the year	34.68	121.70
Add: Interest for the year	17.75	11.74
Less : Paid during the year	(50.88)	(28.11)
Balance at the end of the year	**183.19**	**181.64**

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

₹ Crores

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Lease liabilities		
Upto 3 months	15.20	14.39
3 -6 months	14.56	14.39
6-12 months	28.55	28.75
1-3 years	99.89	97.01
3-5 years	62.32	70.02
Above 5 years	8.97	21.07
Total undiscounted lease liabilities	**229.49**	**245.63**

Amounts recognised in the Statement of Profit and Loss and cash flow statement

₹ Crores

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Amounts recognised in the statement of profit and loss		
Depreciation expenses	40.75	23.44
Interest on lease liabilities	16.13	11.74
Expense relating to short term lease	3.83	2.17
Expense relating to lease of low value assets	5.53	5.96
Variable lease payments	88.59	80.66
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(50.88)	(28.11)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

₹ Crores

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
Derivatives not designated as hedges		
Foreign exchange forward contracts (Refer note (a) below)	-	3.12
Financial liabilities at amortized cost		
Other deposits	11.10	9.95
Unpaid dividend (refer note "(b)" below and note 15)	3.91	3.62
Payable for capital goods	43.65	47.24
Total other financial liabilities	**58.66**	**63.93**

(a) Foreign exchange forward contracts

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

(b) Unpaid Dividend

₹ Crores

	As at March 31, 2026	As at March 31, 2025
2017-18 (Final)	-	0.61
2018-19 (Final)	0.48	0.51
2019-20 (Interim)	0.45	0.49
2020-21 (Final)	0.15	0.17
2021-22 (Final)	0.37	0.40
2022-23 (Final)	0.42	0.46
2023-24 (Final)	0.88	0.98
2024-25 (Final)	1.16	-
Total	**3.91**	**3.62**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

24A. OTHER LIABILITIES

₹ Crores

Particulars	Non current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Advances from customers	-	-	561.59	595.38
Dues to statutory bodies	49.11	39.86	95.32	120.46
Others (Providend fund, ESIC & Pension fund payable, customer credit balance)	-	-	29.59	38.58
Total other liabilities	**49.11**	**39.86**	**686.50**	**754.42**

24B CONTRACT LIABILITIES

₹ Crores

Particulars	Non current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Contract liabilities from construction contracts	-	-	202.40	165.60
Contract liabilities from annual maintenance contract services	8.01	11.28	100.52	104.29
Total contract liabilities	**8.01**	**11.28**	**302.92**	**269.89**

25. PROVISIONS

₹ Crores

Particulars	Non current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits				
Provision for gratuity (refer note 37)	24.60	2.20	-	-
Compensated absences	-	-	26.15	24.85
Provision for other employment benefits*	-	-	6.64	5.71
Additional gratuity (refer note 37)	0.29	0.44	0.28	0.14
	24.89	**2.64**	**33.07**	**30.70**
Other provisions				
Provision for customer warranties	27.88	22.67	79.33	68.30
Provision for foreseeable loss	-	-	13.07	1.06
Provision for obligation towards guarantee given (refer note 9a)	-	-	1.09	1.09
Other provisions	-	-	9.93	9.93
	27.88	**22.67**	**103.42**	**80.38**
Total provisions	**52.77**	**25.31**	**136.49**	**111.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

25. PROVISIONS (Contd..)

Provision for warranties

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**90.97**	**44.68**
Add : Additional provisions made during the year	65.76	110.15
Less : Amount used during the year	(47.29)	(62.13)
Less : Effect of change in provision on account of discounting during the year	(2.72)	(1.73)
Add : Effect of foreign currency translation	0.49	-
Balance as at the end of the year	**107.21**	**90.97**
Current portion	79.33	68.30
Non-current portion	27.88	22.67

The provision for service warranties primarily relates to products sold by the Group that are covered under standard or extended warranty obligations. This provision is estimated based on historical consumption data required to meet these warranty commitments. The amounts above pertain to standard manufacturing warranties, which are generally expected to be settled within a period of 0 to 10 years from the date of sale, depending on the type of component provided by the Group.

Other Provision for the year ended March 31 2026

(₹ Crores)

Particulars	Provision for foreseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	**1.06**	**1.09**	**9.93**
Add :- Additional provisions made during the year	21.23	-	-
Less : Utilised / reversed during the year	(9.22)	-	-
Balance as at the end of the year	**13.07**	**1.09**	**9.93**

Other Provision for the year ended March 31 2025

(₹ Crores)

Particulars	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**

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 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 the Consolidated Financial Statements

for the year ended March 31, 2026

26. GOVERNMENT GRANTS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**18.42**	**8.83**
Additions during the year	-	12.30
Amortised during the year	(6.47)	(2.71)
Balance as at the end of the year	**11.95**	**18.42**
Current	1.33	1.52
Non-current	10.62	16.90

Government grants are towards the purchase of certain items of property, plant and equipment and eligible operating expenses.

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 As at March 31, 2026 and March 31, 2025

(a) Current tax asset / Income tax liabilities (net of provisions)

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**48.97**	**55.65**
Less : Current tax payable for the year	(157.23)	(188.35)
Add : Taxes paid	172.28	181.58
Less : Consol adjustment	(1.57)	(0.09)
Balance as at the end of the year	**62.44**	**48.97**

(b) Deferred tax assets / Deferred tax liabilities

The breakup of Deferred tax asset is as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset - [A]		
Provision for loss allowance	33.85	37.09
Provisions made disallowed and allowed only on payment basis	34.29	26.14
Lease Liabilities	46.97	46.97
Security Deposit on ROU	1.34	1.05
Others (ROU, ICDS adjustments, etc.)	6.62	6.68
Deferred tax liability - [B]		
Differences between book and tax depreciation	(102.72)	(78.93)
Right of use assets	(41.23)	(43.55)
Others (ROU, ICDS adjustments, etc.)	(1.46)	-
Deferred tax asset / (Deferred tax liabilities) (net) - [A-B]	**(22.34)**	**(4.55)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax asset -				
Provision for loss allowance	3.24	(4.70)	-	-
Provisions made disallowed and allowed only on payment basis	(8.02)	(5.64)	-	-
Business loss / unabsorbed depreciation	-	1.93	-	-
Differences between book and tax depreciation	-	0.05	-	-
Lease Liabilities	0.11	(27.72)	-	-
Security Deposit on ROU	(0.30)	(1.31)	-	-
Adjustments on consolidation	1.16	-	-	-
Others (ICDS adjustments)	(1.06)	(2.92)	-	-
Deferred tax liability -				
Differences between book and tax depreciation	23.79	17.56	-	-
Right of use assets	(2.42)	26.66	-	-
Others (ICDS adjustments)	1.46	0.87	-	-
Total	**17.96**	**4.78**	**-**	**-**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2026 and March 31, 2025:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income tax	703.11	784.93
Income tax at India's statutory income tax rate of 25.168% (31 March 2025: 25.168%)	177.02	197.55
Expenses not allowed for tax purpose	5.86	4.29
Additional allowances for tax purpose	(0.61)	(0.90)
Savings due to tax paid at lower or nil rate	(7.87)	(7.82)
Tax saving on account of lower tax rate on long term capital gain	-	(0.77)
Others	1.38	1.29
Income tax at effective tax rate	**175.78**	**193.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

27. INCOME TAX (Contd..)

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Current tax		
Current tax on profit for the year	157.82	188.87
Total current tax expense	**157.82**	**188.87**
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	22.84	45.09
Decrease/(Increase) in deferred tax assets	(6.03)	(37.40)
Consol adjustment	1.15	(2.91)
Total deferred tax expense / (benefit)	**17.96**	**4.78**
Income tax expense	**175.78**	**193.65**

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	(0.60)	(0.52)
Total current tax expense	**(0.60)**	**(0.52)**
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	**(0.60)**	**(0.52)**

28. REVENUE FROM OPERATIONS

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations		
Sale of products	8,093.87	7,979.02
Revenue from construction contracts	3,273.05	3,038.77
Sale of services	883.10	834.90
Other operating revenue		
- Commission income	1.56	2.51
- Provisions and liabilities no longer required	48.49	29.69
- Production linked incentive	15.00	12.00
- Scrap sales	51.67	48.25
- Others (includes export benefits, duty drawbacks, etc.)	35.25	22.51
Total revenue from operations	**12,401.99**	**11,967.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

29. OTHER INCOME

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
Financial instruments measured as amortised cost		
- Bank deposits	5.70	8.78
- Others	5.79	6.24
Other non-operating income		
Rental income	0.55	0.52
Gain on fair value of investments measured at FVTPL	3.84	-
Profit on sale of investment measured at FVTPL	20.06	34.89
Amortisation of government grant	6.47	2.71
Others (Income from bill discounting, interest on refund of direct tax, etc.)	19.50	21.86
Total other income	**61.91**	**75.00**

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of material consumed	4,920.89	4,844.48
Project cost (including bought outs)	2,981.47	2,621.76
AMC subcontracting cost and other service cost	508.54	477.56
Total cost of raw material consumed (including direct project and service cost)	**8,410.89**	**7,943.80**
Purchase of stock-in-trade	**1,235.35**	**1,411.83**
Inventories at the end of the year		
Stock-in-trade	524.00	493.91
Work-in-progress	155.46	154.68
Finished goods	447.28	374.00
	1,126.74	**1,022.59**
Inventories at the beginning of the year		
Stock-in-trade	493.91	324.10
Work-in-progress	154.68	120.10
Finished goods	374.00	297.10
	1,022.59	**741.30**
Total change in inventories of finished goods, work-in-progress and stock-in-trade	**(104.15)**	**(281.29)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

31. EMPLOYEE BENEFITS EXPENSES

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	805.49	816.54
Contribution to provident and other funds	25.61	25.58
Gratuity expense (refer note 37)	10.78	6.70
Staff welfare expenses	68.77	66.35
Share based payment to employees (refer note 52)	7.48	3.70
Total employee benefit expense	**918.13**	**918.87**

32. FINANCE COSTS

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- Interest and finance charges on financial liabilities carried at amortised cost.		
(a) Interest on other borrowings	40.14	22.06
(b) Interest on lease liabilities**	16.13	11.74
(c) Other interest expenses.	6.92	6.05
- Bank charges	8.95	8.95
Total finance costs	**72.14**	**48.80**

33. DEPRECIATION AND AMORTISATION EXPENSES

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 4)*	108.13	80.62
Depreciation on right-of-use of asset (refer note 7)*	40.75	23.44
Amortization expenses on intangible assets (refer note 8A)	29.44	23.80
Depreciation on investment properties (refer note 6)	0.47	0.51
Total depreciation and amortisation expense	**178.79**	**128.37**

** Depreciation capitalised towards research and development expenditure for property, plant and equipment for year ended March 31, 2026 is ₹ 4.80 crore (March 31, 2025 ₹ 6.44 crore) and right of-use assets for year ended March 31, 2026 is ₹ 3.16 crore (March 31, 2025 ₹ 3.52 crore).*

***Interest on lease liabilities for March 31, 2026 ₹ 1.62 Crores (March 31, 2025 Nil) is net off capitalisation towards research and development expenditure.*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

34. OTHER EXPENSES

₹ Crores

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and spares consumed		37.13	39.10
Power and fuel		35.96	29.24
Rent		97.96	88.79
Repairs and maintenance			
Buildings		12.78	12.22
Plant and machinery		17.02	20.70
Others		56.79	44.63
Insurance		15.81	12.56
Rates and taxes		3.14	5.35
Advertising expenses		33.16	79.71
Sales promotion expenses		87.89	99.22
Freight and forwarding charges		146.99	163.45
Legal and professional fees		144.40	120.57
E-waste Expenses		12.58	25.76
Travelling and conveyance		82.50	86.30
Commission and Sale Incentives		47.31	61.00
Warranty Cost		86.25	76.69
Printing and stationery		4.38	4.77
Payment to auditors		4.19	4.65
Corporate social responsibility expenses		12.13	8.13
Donations		-	0.98
Loss on sale of property, plant and equipment (net)		2.73	4.55
Foreign exchange differences (Net) (including fair value impact on financial instruments at fair value through profit or loss)		4.78	11.83
Fair value gain on financial instruments designated as FVTPL		-	1.36
Bad debts / advances written off	24.52		
Less:- Provision for bad debts	(23.45)	1.07	1.53
Allowances for doubtful debts and advances		9.50	40.79
Miscellaneous expenses		54.92	54.64
Total other expenses		**1,011.37**	**1,098.52**

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Past service cost on gratuity and leave encashment (refer note "a" below)	(37.55)	-
Premium on transfer of immovable property (refer note "a" below)	(1.28)	-
Profit on sale of investment property (refer note "b" below)	-	12.51
Exceptional Items (Net)	**(38.83)**	**12.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

35. EXCEPTIONAL ITEMS (Contd..)

Note :

a. The Government of India notified the provisions of the four new Labour Codes (“Labour Codes”) on 21 November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of “wages” to be applied across various employee benefit computations. Based on a reassessment by management of the revised compensation structure and the consequent changes in actuarial assumptions, the said liability has now been determined at ₹37.55 crores. The Company continues to monitor the finalisation of the Central and State rules and clarifications issued by the Government under the new Labour Codes and will recognise the impact of any further changes in estimates in the relevant period, as and when required.

   Exceptional items also include a one-time, non-recurring expense of ₹1.28 crores for the year ended March 31, 2026.”

b. 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 in the financial year ended March 31, 2025.

36. EARNING PER SHARE (EPS)

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit attributable to equity holders of the Company (₹ in Crores)	527.33	591.28
Weighted average number of equity shares outstanding	20,55,95,152	20,56,14,788
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	25.65	28.76

37. EMPLOYEE BENEFITS DISCLOSURE

I. 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 ₹ 33.83 crore to gratuity fund in FY 2025-26 (FY 2024-25 - ₹ 7.01 crore)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Change in present value of defined benefit obligation

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at the beginning of the year	70.56	57.46	0.58	0.53
Current service cost	8.23	6.24	0.03	0.02
Past service cost	35.46	-	-	-
Interest cost	5.19	3.99	0.04	0.04
Benefit paid	(7.80)	(3.62)	(0.03)	(0.02)
Remeasurements				
a. Due to change in demographic assumptions	-	-	-	-
b. Due to change in financial assumptions	(1.95)	2.21	(0.01)	0.02
c. Due to experience adjustments	0.57	4.28	(0.04)	(0.01)
Defined benefit obligation at the end of the year	**110.26**	**70.56**	**0.57**	**0.58**

Change in fair value of plan assets

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	68.36	52.99	-	-
Expected return on plan assets	4.14	3.79	-	-
Contribution	25.29	10.80	-	-
Benefits paid	(7.80)	(3.63)	-	-
(Return) on plan assets (excl. interest income)	(3.56)	-		
Return on assets	(0.77)	4.41	-	-
Fair value of plan assets at the end of the year	**85.66**	**68.36**	**-**	**-**

Components of defined benefit cost recognised in Statement of Profit or Loss

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	8.23	6.24	0.03	0.02
Past service cost	35.46	-	-	-
Interest Cost	5.19	3.99	0.04	0.04
Expected return on plan assets	(4.14)	(3.59)	-	-
Defined benefit cost recognized in Profit or Loss	**44.74**	**6.64**	**0.07**	**0.06**
Components of defined benefit cost recognized in Other Comprehensive Income				
a. Due to change in financial assumptions	(1.95)	2.20	(0.01)	0.02
b. Due to change in experience adjustments	0.57	4.28	(0.04)	(0.01)
c. (Return) on plan assets (excl. amount recognised in net interest)	3.56	(4.41)	-	-
Remeasurements recognized in other comprehensive income (OCI)	**2.18**	**2.07**	**(0.05)**	**0.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Net Assets/ Liability recognized in the Consolidated Balance Sheet

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	110.26	70.56	0.57	0.58
Fair value of plan assets	85.66	68.36	-	-
Net defined benefit liability / (asset)	**24.60**	**2.20**	**0.57**	**0.58**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	0.02	0.10
Insurance company products	84.46	65.55
Others	1.18	2.71
Total	**85.66**	**68.36**

The principal assumptions used in determining gratuity for the group's plan are as shown below:

Actuarial Assumptions	Gratuity (Funded)		Additional Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	6.95%	6.50%	6.95%	6.50%
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 for others	65 Years for Directors and 60 Years for Others	65 years for Directors and 60 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%	15%	15%	15%

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 the Consolidated Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (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 benefits paid in accordance with the requirements of Chapter V (Gratuity of the Code on Social Security, 2020 (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	Gratuity (Funded)		Additional Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Decrease in discount Rate (-/+ 0.5%)	111.49	70.76	0.58	0.59
Increase in discount Rate (-/+ 0.5%)	105.96	67.25	0.55	0.56
Decrease in salary Growth Rate (-/+ 0.5%)	106.47	67.25	-	-
Increase in salary Growth Rate (-/+ 0.5%)	110.89	70.74	-	-
Decrease in attrition Rate (-/+ 1%)	108.37	69.20	0.56	0.55
Increase in attrition Rate (-/+ 1%)	108.85	68.74	0.57	0.58
Decrease in Mortality Rate (-/+ 10%)	108.64	68.96	0.57	0.58
Increase in Mortality Rate (-/+ 10%)	108.67	68.96	0.57	0.58

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 2025-26.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2025-26 is 5 years.

Maturity profile of defined benefit obligation

Expected cash flows (valued on undiscounted basis)	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity (Funded)	Additional Gratuity	Gratuity (Funded)	Additional Gratuity
1 year	20.58	0.10	14.71	0.10
2 to 5 years	60.41	0.31	35.32	0.31
6 to 10 years	45.21	0.24	27.30	0.24
More than 10 years	37.82	0.22	24.05	0.20
Total	**164.02**	**0.87**	**101.38**	**0.85**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

General Description of significant defined plans:

a. Gratuity Plan

Gratuity is payable to all eligible employees on separation/retirement based on Company's internal policies and applicable law.

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.

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, 2026. The Parent's contribution to the Employee's Provident fund aggregates to ₹ 16.91 crores (March 31, 2025 : ₹ 15.08 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 :

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation at period end	361.45	316.54
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	354.67	314.53

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	-	0.63
Insurance company products	-	-
Others	354.67	313.90
Total plan assets	**345.67**	**314.53**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Discounting Rate	6.95%	7.15%
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%

₹ Crores

Particulars	As at March 31, 2026		As at March 31, 2025	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	361.58	361.33	317.45	317.23
Interest rate guarantee (-/+ 0.5%)	357.90	365.17	314.22	320.82

** Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2024-25 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.25% for FY 2025-26.*

38. COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Group not acknowledged as debts	1.40	0.90
Sales Tax matters	8.15	11.52
Excise Duty matters	0.33	4.31
Service Tax matters	4.16	27.65
Income Tax matters	139.58	133.01
GST matters	25.87	24.65
Total contingent liabilities	**179.49**	**202.04**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

38. COMMITMENTS AND CONTINGENCIES (Contd..)

b. Commitments

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Company had commitments (net of taxes)	190.64	156.26

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, 2026 is ₹ 16.49 crores (March 31, 2025 : ₹. 8.06 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 & Compliance Officer)
	Mr. Rajiv Lulla (Non-executive director)
	Mr. Dinesh Vaswani (Non-executive director)
	Mr. Sam Balsara (Independent director) (Upto January 31, 2026)
	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)
	Mr. Vipin Sondhi (Independent director)
	Mr. P Venkat Rao (Executive Director) (Upto February 28,2026)
	Mr. M S Unnikrishnan (Independent Director) (W.e.f. January 29, 2026)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

39. DISCLOSURE FOR RELATED PARTY (Contd..)

3	**Close member of key management personnel**
	Mr. Suneel M. Advani (Father of Vir S. Advani)
4	**Enterprises in which a Director is / was a member / director / trustee during the year or relatives of directors with whom Group had transactions and / or balances.**
	M/s SMA Associates
	National Skill Development Corporation
	Trichur Sundaram Santhana
	Madison Specialist Communications LLP (Upto January 31, 2026)
	Madison Communications Private Limited (Upto January 31, 2026)
	MOMS Outdoor Media Solutions Private Limited (Upto January 31, 2026)
	Platinum Communications Private Limited (Upto January 31, 2026)
	Out-Sel Promotions India Private Limited (Upto January 31, 2026)
	Solvexus Private Limited (Formerly known as "Cerebrus Consultants Private Limited")
	TVS Mobility Private Limited
	Swift Audio Video Entertainments Private Limited
	Mrs. Lara Balsara Vajifdar (Upto January 31, 2026)
	Mrs. Suneeta Vaswani
	Mr. Ramesh Lulla
5	**Post-employee benefit entities / Employee Welfare Trust/ Other Trust**
	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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

39. DISCLOSURE FOR RELATED PARTY (Contd..)

B. Transactions for the year ended March 31, 2026 and March 31, 2025 with Related Parties are as under:

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Sale of goods / rendering of services								
Madison Communications Private Limited	-	-	-	-	0.11	0.26	**0.11**	**0.26**
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	*	0.02	**-**	**0.02**
Platinum Communications Private Limited	-	-	-	-	0.02	*	**0.02**	*
TVS Mobility Private Limited	-	-	-	-	0.06	0.73	**0.06**	**0.73**
Lala Balsara Vajifdar	-	-	-	-	0.02	-	**0.02**	-
Madison Specialist Communications LLP	-	-	-	-	0.01	0.01	**0.01**	**0.01**
Out-Sel Promotions India Private Limited	-	-	-	-	0.01	0.01	**0.01**	**0.01**
Swift Audio Video Entertainments Private Limited	-	-	-	-	-	0.01	**-**	**0.01**
National Skill Development Corporation	-	-	-	-	0.03	0.02	**0.03**	**0.02**
Trichur Sundaram Santhana	-	-	-	-	0.01	-	**0.01**	-
Mr. P Venkat Rao	-	-	-	-	*	-	*	-
Mr. Ramesh Lulla	-	-	-	-	*	-	*	-
Mr. Nikhil Sohoni	-	-	-	-	*	-	*	-
Total	**-**	**-**	**-**	**-**	**0.27**	**1.06**	**0.27**	**1.06**
Purchase of goods / receipt of services								
Moms Outdoor Media Solutions Private Limited	-	-	-	-	0.22	4.07	**0.22**	**4.07**
Madison Communications Private Limited	-	-	-	-	21.39	45.13	**21.39**	**45.13**
Solvexus Private Limited	-	-	-	-	0.02	0.04	**0.02**	**0.04**
Total	**-**	**-**	**-**	**-**	**21.63**	**49.24**	**21.63**	**49.24**
Sale of Property, plant & equipment								
Mr. Rajiv Lulla	-	-	-	-	0.32	-	**0.32**	-
Ms Suneeta Vaswani	-	-	-	-	0.28	-	**0.28**	-
Total	**-**	**-**	**-**	**-**	**0.60**	**-**	**0.60**	**-**
Gift of painting								
Suneel M Advani	-	-	-	-	0.11	-	**0.11**	-
Total	**-**	**-**	**-**	**-**	**0.11**	**-**	**0.11**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

39. DISCLOSURE FOR RELATED PARTY (Contd..)

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
CSR expenses								
Blue Star Foundation	-	-	-	-	2.42	1.55	**2.42**	**1.55**
Total	**-**	**-**	**-**	**-**	**2.42**	**1.55**	**2.42**	**1.55**
Welfare expenses								
Blue Star Foundation	-	-	-	-	0.17	-	**0.17**	**-**
Total	**-**	**-**	**-**	**-**	**0.17**	**-**	**0.17**	**-**
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**
Recovery of expenses								
Blue Star Helpline Trust	-	-	-	-	0.59	-	**0.59**	**-**
Total	**-**	**-**	**-**	**-**	**0.59**	**-**	**0.59**	**-**
Trust Contribution								
Blue Star Provident Fund Trust	-	-	-	-	38.42	33.80	**38.42**	**33.80**
Blue Star Gratuity Trust	-	-	-	-	25.00	9.58	**25.00**	**9.58**
Blue Star Super Annuation Trust	-	-	-	-	1.92	1.74	**1.92**	**1.74**
Blue Star ESOP Trust	-	-	-	-	0.05	-	**0.05**	**-**
Total	**-**	**-**	**-**	**-**	**65.99**	**45.12**	**65.99**	**45.12**

Compensation to key management personnel:

₹ Crores

Nature of Transaction	FY 2025-26	FY 2024-25
Short-term employee benefits including commission	44.80	38.68
Post-employee benefits	1.62	1.65
Commission to non-executive and independent directors	3.33	1.92
Sitting fees	0.65	0.64
Shared based payment	3.51	1.60
Total compensation to key management personnel	**53.91**	**44.49**

** Indicates amount less than ₹ 1 Lakh.*

Notes :

a. As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

b. The transactions are exclusive of taxes wherever applicable.

c. 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 the Consolidated Financial Statements

for the year ended March 31, 2026

39. DISCLOSURE FOR RELATED PARTY (Contd..)

C. Amount due to / from related parties :

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Trade payables								
Madison Communications Private Limited	-	-	-	-	0.53	15.27	**0.53**	**15.27**
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	*	1.15	**-**	**1.15**
SMA Associates	-	-	-	-	0.08	-	**0.08**	**-**
Total	**-**	**-**	**-**	**-**	**0.61**	**16.42**	**0.61**	**16.42**
Other Payables								
Blue Star helpline Trust	-	-	-	-	0.05	-	**0.05**	**-**
Total	**-**	**-**	**-**	**-**	**0.05**	**-**	**0.05**	**-**
Trade receivables / Other receivable								
Moms Outdoor Media Solutions Private Limited	-	-	-	-	-	0.01	**-**	**0.01**
TVS Mobility Private Limited	-	-	-	-	0.02	0.11	**0.02**	**0.11**
Blue Star Oman Electromechanical Co. LLC * (refer note below)	-	-	4.46	4.46	-	-	**4.46**	**4.46**
Total			**4.46**	**4.46**	**0.02**	**0.12**	**4.48**	**4.58**
Advance received against sale of goods/ rendering of services								
National Skill Development Corporation	-	-	-	-	0.04	-	**0.04**	**-**
Mrs. Lara Balsara Vajifdar	-	-	-	-	0.02	-	**0.02**	**-**
Total	**-**	**-**	**-**	**-**	**0.06**	**-**	**0.06**	**-**

** fully provided for Allowance for doubtful loan*

Note :

1. W.J. Towell & Co. LLC ("WJT"), an entity based in Oman and one of the Company's joint venture partners in Blue Star Oman Electro Mechanical Company LLC (the "Joint Venture Company"), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, had filed arbitration proceedings against the Company with the 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. The arbitration proceedings have since been completed and the matter is pending final award.

Notes to the Consolidated Financial Statements

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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 & measuring, data communications, industrial products and systems.

I. Segment revenues, results and other information:

₹ Crores

A. SEGMENT REVENUE	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	6,762.80	5,997.99
(b) Unitary Products	5,332.36	5,621.11
(c) Professional Electronics and Industrial Systems	306.83	348.55
Total segment revenue	**12,401.99**	**11,967.65**

₹ Crores

B. SEGMENT RESULT	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	501.91	490.88
(b) Unitary Products	434.82	471.26
(c) Professional Electronics and Industrial Systems	34.89	29.72
Total segment result	**971.62**	**991.86**
Less: (a) Finance Cost	(72.14)	(48.80)
(b) Other un-allocable Expenditure Net of un-allocable Income	(158.10)	(169.31)
Profit before taxation	**741.38**	**773.75**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

40. SEGMENT INFORMATION (Contd..)

II. OTHER INFORMATION:

₹ Crores

A. Segment assets	As at March 31, 2026	As at March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	3,690.38	3,731.01
(b) Unitary Products	3,169.17	2,902.25
(c) Professional Electronics and Industrial Systems	154.34	148.44
Total segment assets	**7,013.89**	**6,781.70**
Add: Un-allocable Corporate Assets	1,562.09	1,475.92
Total assets	**8,575.98**	**8,257.62**

₹ Crores

B. Segment liabilities	As at March 31, 2026	As at March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	2,607.56	2,707.36
(b) Unitary Products	1,415.25	1,735.86
(c) Professional Electronics and Industrial Systems	151.14	138.53
Total segment liabilities	**4,173.95**	**4,581.75**
Add: Un-allocable Corporate Liabilities	968.17	608.25
Total liabilities	**5,142.12**	**5,190.00**

₹ Crores

C. Non-current assets (movement)	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	126.79	111.95
(b) Unitary Products	120.08	182.61
(c) Professional Electronics and Industrial Systems	(4.14)	3.21
(d) Un-allocable	42.31	122.33
Total non-current assets (movement)	**285.04**	**420.10**

₹ Crores

D. Depreciation / amortisation	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	49.92	32.08
(b) Unitary Products	71.05	64.61
(c) Professional Electronics and Industrial Systems	2.40	1.84
(d) Un-allocable	55.42	29.84
Total depreciation / amortisation	**178.79**	**128.37**

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for the year ended March 31, 2026

40. SEGMENT INFORMATION (Contd..)

₹ Crores

E. Non cash expenses other than depreciation and amortisation	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	(2.73)	34.51
(b) Unitary Products	11.27	6.00
(c) Professional Electronics and Industrial Systems	3.50	2.21
(d) Un-allocable	7.63	4.48
Total non cash expenses other than depreciation and amortisation	**19.67**	**47.20**

₹ Crores

F. Interest Income	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Electro -Mechanical Projects and Commercial Air Conditioning Systems	1.09	0.08
(b) Unitary Products	0.11	-
(c) Professional Electronics and Industrial Systems	-	-
(d) Un-allocable	10.29	14.94
Total interest income	**11.49**	**15.02**

B. Secondary segment information:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue (Sales, Services & Commission) by Geographical Market		
India	11,345.27	11,192.49
Outside India	1,056.72	775.16
Total revenue (Sales, Services & Commission)	**12,401.99**	**11,967.65**
Carrying amount of non current assets		
India	1,869.81	1,700.93
Outside India	55.95	60.82
Total non current assets	**1,925.76**	**1,761.75**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

41. INTEREST IN OTHER ENTITIES

A. Subsidiary companies

The subsidiary companies of the Group as at March 31, 2026, 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, 2026	As at March 31, 2025
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%	100%
Blue Star Climatech Limited	Manufacturer and Dealer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products.	India	100%	100%
Blue Star Qatar W.L.L.	Designing, Engineering, Installation and Maintenance of Mechanical, Electrical, Plumbing (MEP) contracts and all works related to heating ventilation and air conditioning systems.	Qatar	49%	49%
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%	100%
BSL AC&R (Singapore) Pte. Ltd.	Importer and exporter of Airconditioning, Ventilation, Air Filteration System.	Singapore	100%	100%
Blue Star International FZCO	Air conditioning, refrigeration and cold storage materials, spare parts and equipment Trading	UAE	100%	100%
Blue Star North America Inc	Designing, Manufacturing,Trading and installation of Air Conditioning, Heating and Cooling Equipments.	USA	100%	100%
Blue Star Innovation Japan LLC	Research and development of refrigeration cycles, control algorithms and control boards for air conditioners and chillers.	Japan	100%	100%
Blue Star Europe B.V.	Designing, Manufacturing,Trading and installation of Air Conditioning, Heating and Cooling Equipments.	Netherlands	100%	100%
Blue Star Air Conditioning & Refrigeration (U) Limited	Air conditioning, refrigeration and cold storage materials, spare parts and equipment Trading	Uganda	100%	100%

** 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 Company under Ind AS 110.*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

41. INTEREST IN OTHER ENTITIES (Contd..)

B. Interest in joint venture company accounted for using the equity method

Joint venture	Principal activities	Country of Incorporation	% Shareholding As at March 31, 2026	% Shareholding As at March 31, 2025
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)			21.94	17.94

Blue Star M & E Engineering (Sdn) Bhd

Summarized Balance sheet as at March 31, 2026 and March 31, 2025:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets	59.54	55.85
Non-Current Assets	6.28	10.14
Current Liabilities	26.52	31.34
Non-current Liabilities	0.07	3.37
EQUITY	**39.23**	**31.28**

The above amount of the assets and liabilities include the following

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
- Cash and Cash equivalents	1.72	3.74
- Current financial liabilities (excluding trade and other payables and provisions)	0.77	0.57
- Non Current financial liabilities (excluding trade and other payables and provisions)	0.05	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

41. INTEREST IN OTHER ENTITIES (Contd..)

Summarised statement of Profit & Loss for the year ended March 31,2026 and March 31, 2025:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue	23.54	61.54
Other Income	1.01	0.58
Cost of raw material and components consumed	7.07	53.68
Depreciation and amortization	0.50	0.61
Finance cost	0.11	0.24
Employee Benefit	10.64	8.45
Other Expenses	4.81	1.79
Profit / (loss) before Tax	**1.42**	**(2.65)**
Income Tax Expense	0.25	0.06
Profit / (loss) for the year	**1.17**	**(2.71)**
Group's share of profit / (loss) for the year	**0.56**	**(1.33)**

Movement of investment in Joint Venture

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Joint venture	17.94	17.88
Profit for the period	0.56	(1.33)
Foreign currency translation reserve	3.44	1.39
Investment in Joint venture	**21.94**	**17.94**

Notes:

1. W.J. Towell & Co. LLC ("WJT"), an entity based in Oman and one of the Company's joint venture partners in Blue Star Oman Electro Mechanical Company LLC (the "Joint Venture Company"), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, had filed arbitration proceedings against the Company with the 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. The arbitration proceedings have since been completed and the matter is pending final award.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

42. DERIVATIVE INSTRUMENTS AND ATTACHED 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 and options 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, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in Lakh)	₹ Crores	Amount in Foreign Currency (in Lakh)	₹ Crores
Particulars of Derivatives				
Forward cover to Purchase				
- USD	67.12	63.66	209.13	178.76
- CNY/RMB	566.97	77.75	855.18	100.50
- JPY	38.02	0.23	-	-
- EURO	0.29	0.32	-	-

b. Particulars of un-hedged foreign currency exposure as at the Balance Sheet date

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in Lakh)	₹ Crores	Amount in Foreign Currency (in Lakh)	₹ Crores
Bank Balances				
AED	0.11	0.03	0.08	0.02
CAD	#	-	#	*
EUR	2.78	3.03	3.99	3.67
CNY/RMB	-	-	0.23	0.03
USD	24.49	23.23	25.18	21.52
Receivables				
AED	0.73	0.19	0.73	0.17
CAD	5.89	4.01	0.07	0.04
EUR	45.40	49.49	41.51	38.22
GBP	0.08	0.10	0.08	0.08
JPY	22.22	0.13	22.22	0.13
MYR	-	-	1.05	0.20
USD	66.70	63.25	126.60	108.21
SGD	-	-	#	*
Payables				
AED	0.55	0.14	3.87	0.90
CNY/RMB	58.18	7.98	91.70	10.78
EUR	21.87	23.84	21.02	19.36
JPY	828.42	4.92	1,158.08	6.57

Notes to the Consolidated Financial Statements

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42. DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE (Contd..)

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in Lakh)	₹ Crores	Amount in Foreign Currency (in Lakh)	₹ Crores
MYR	0.03	0.01	0.03	0.01
GBP	0.24	0.30	0.07	0.08
CHF	-	-	#	*
USD	79.50	75.39	146.89	125.55
QAR	-	-	#	*
CAD	0.03	0.02	0.06	0.03
OMR	0.03	0.08	0.03	0.08
SGD	0.02	0.02	0.01	0.01
AUD	9.09	5.91	-	-

 # 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

₹ Crores

Particulars	As at March 31, 2026					As at March 31, 2025				
	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)	435.26	-	-	435.26	435.26	414.12	-	-	414.12	414.12
Loans (refer note 10)	-	-	28.12	28.12	28.12	-	-	24.65	24.65	24.65
Other financial assets (refer note 11)	2.43	-	158.59	161.02	161.02	-	-	75.09	75.09	75.09
Trade receivables (refer note 13)	-	-	2,139.70	2,139.70	2,139.70	-	-	1,959.37	1,959.37	1,959.37
Cash and cash equivalents (refer note 14)	-	-	366.99	366.99	366.99	-	-	425.59	425.59	425.59
Other bank balances (refer note 15)	-	-	35.08	35.08	35.08	-	-	6.33	6.33	6.33
	437.69	**-**	**2,728.48**	**3,166.17**	**3,166.17**	**414.12**	**-**	**2,491.03**	**2,905.15**	**2,905.15**
Financial liabilities										
Borrowings (refer note 20)	-	-	626.80	626.80	626.80	-	-	199.36	199.36	199.36
Trade payables (refer note 21)	-	-	2,942.86	2,942.86	2,942.86	-	-	3,427.62	3,427.62	3,427.62
Other Financial Liabilities (refer note 23)	-	-	58.66	58.66	58.66	-	-	63.93	63.93	63.93
Lease liabilities (refer note 22)	-	-	183.19	183.19	183.19	-	-	181.64	181.64	181.64
	-	**-**	**3,811.51**	**3,811.51**	**3,811.51**	**-**	**-**	**3,872.55**	**3,872.55**	**3,872.55**

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 the Consolidated Financial Statements

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43. FINANCIAL INSTRUMENTS (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 heirarchy as at As at March 31, 2026

₹ Crores

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, 2026	19.03	-	-	19.03
Assets measured at fair value:					
Investment in mutual fund (refer note 9)	As at March 31, 2026	435.26	-	435.26	-
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts	As at March 31, 2026	2.43	-	2.43	-

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

Quantitative disclosures fair value measurement heirarchy as at As at March 31, 2025

₹ Crores

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 not designated as hedges (refer note 23)					
- Foreign exchange forward contracts	As at March 31, 2025	3.12	-	3.12	-

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

43. 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 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 counter parties, foreign exchange spot and forward rates.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's principal financial liabilities comprise short-term borrowings, lease liabilities and trade and other payables. These financial liabilities are primarily incurred to finance the Group's operating activities and to manage exposure to financial risks.

The Group's principal financial assets include trade and other receivables, cash and cash equivalents, investments, loans and advances, and derivative financial instruments. These financial assets principally arise from the Group's operating activities and treasury management functions.

The Group has exposure to various financial risks arising from its business operations and financial instruments. These risks include market risk, comprising foreign currency risk, interest rate risk, and commodity price risk, as well as credit risk and liquidity risk. The Group manages these risks through an established risk management framework in accordance with its financial risk management policies.

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 or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk, interest rate risk, and other price risk, including commodity price risk. Financial instruments that are exposed to market risk include borrowings, investments, trade receivables, trade payables, loans, and derivative financial instruments.

Notes to the Consolidated Financial Statements

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES & 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, 2026				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency) (in Lakhs)	Net exposure (₹ Crores)
Foreign currency					
USD	24.49	66.70	79.50	11.69	11.09
CNY/RMB	-	-	58.18	(58.18)	(7.98)
AED	0.11	0.73	0.55	0.29	0.08
EUR	2.78	45.40	21.87	26.31	28.68
MYR	-	-	0.03	(0.03)	(0.01)
JPY	-	22.22	828.42	(806.20)	(4.79)
CAD	#	5.89	0.03	5.86	3.99
OMR	-	-	0.03	(0.03)	(0.08)
GBP	-	0.08	0.24	(0.16)	(0.20)
SGD	-	-	0.02	(0.02)	(0.02)
AUD	-	-	9.09	(9.09)	(5.91)

Particulars	As at March 31, 2025				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency) (in Lakhs)	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

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for the year ended March 31, 2026

44. FINANCIAL RISK MANAGEMENT OBJECTIVES & 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.

₹ Crores

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity*	
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
USD	+5%	0.55	0.21	0.42	0.16
	-5%	(0.55)	(0.21)	(0.42)	(0.16)
CNY/RMB	+5%	(0.40)	(0.54)	(0.30)	(0.40)
	-5%	0.40	0.54	0.30	0.40
AED	+5%	0.00	(0.04)	0.00	(0.03)
	-5%	(0.00)	0.04	(0.00)	0.03
EUR	+5%	1.43	1.13	1.08	0.84
	-5%	(1.43)	(1.13)	(1.08)	(0.84)
MYR	+5%	(0.00)	0.01	(0.00)	0.01
	-5%	0.00	(0.01)	0.00	(0.01)
JPY	+5%	(0.24)	(0.32)	(0.18)	(0.24)
	-5%	0.24	0.32	0.18	0.24
CAD	+5%	0.20	0.00	0.15	0.00
	-5%	(0.20)	(0.00)	(0.15)	(0.00)
OMR	+5%	(0.00)	(0.00)	(0.00)	(0.00)
	-5%	0.00	0.00	0.00	0.00
GBP	+5%	(0.01)	(0.04)	(0.01)	(0.03)
	-5%	0.01	0.04	0.01	0.03
SGD	+5%	(0.00)	-	(0.00)	-
	-5%	0.00	-	0.00	-
AUD	+5%	(0.30)	-	(0.22)	-
	-5%	0.30	-	0.22	-

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 31 March 2026.

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, 2026					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	1,950.20	262.52	-	-	1,950.20	262.52
Aluminium	1,661.33	68.96	-	-	1,661.33	68.96

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (Contd..)

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

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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Commodity					
Copper	-5%	(13.13)	(8.22)	(9.84)	(6.15)
	+5%	13.13	8.22	9.84	6.15
Aluminium	-5%	(3.45)	(3.41)	(2.59)	(2.55)
	+5%	3.45	3.41	2.59	2.55

** Effect on equity is computed basis effective tax rate of the Group.*

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.

₹ Crores

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		less than 1 year	more than 1 year	
Trade Receivables as on March 31, 2026	1,019.86	1,077.26	144.40	2,241.52
Trade Receivables as on March 31, 2025	994.62	944.76	93.85	2,033.23

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

44. FINANCIAL RISK MANAGEMENT OBJECTIVES & 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:

₹ Crores

Particulars	As of March 31, 2026		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	626.80	-	626.80
Trade Payables	2,942.86	-	2,942.86
Lease Liabilities	58.31	171.18	229.49
Other financial liabilities	58.66	-	58.66
Total	**3,686.63**	**171.18**	**3,857.81**

₹ Crores

Particulars	As of March 31, 2025		
	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**

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 :

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	626.80	199.36
Less: Cash and cash equivalents	(366.99)	(425.59)
Net debt	**259.81**	**(226.23)**
Equity	3,433.86	3,067.62
Gearing ratio (Net debt / equity) X 100	**7.57**	**NA***

Note: Net Debt is excluding lease liabilities.

** This ratio is not relevant as the cash and cash equivalents exceed the loans and borrowings.*

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for the year ended March 31, 2026

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

₹ Crores

Nature of expenses	Year	Note 30	Note 31	Note 34	Note 32	Total
Salary and wages	As as March 31, 2026	633.02	805.49	-	-	1438.51
	As as March 31, 2025	461.72	816.54	-	-	1278.26
Staff welfare expenses*	As as March 31, 2026	4.42	68.77	-	-	73.19
	As as March 31, 2025	2.36	66.35	-	-	68.71
Contribution to provident and other funds	As as March 31, 2026	0.16	25.61	-	-	25.77
	As as March 31, 2025	0.10	25.58	-	-	25.68
Rent	As as March 31, 2026	3.08	-	97.96	-	101.04
	As as March 31, 2025	3.62	-	88.79	-	92.41
Commission and sales incentives	As as March 31, 2026	-	-	47.31	-	47.31
	As as March 31, 2025	0.02	-	61.00	-	61.02
Repairs and maintenance	As as March 31, 2026	1.22	-	86.59	-	87.81
	As as March 31, 2025	1.36	-	77.54	-	78.90
Rates and taxes	As as March 31, 2026	8.54	-	3.14	-	11.68
	As as March 31, 2025	8.99	-	5.35	-	14.34
Power and fuel	As as March 31, 2026	8.28	-	35.96	-	44.24
	As as March 31, 2025	4.70	-	29.24	-	33.94
Insurance	As as March 31, 2026	1.03	-	15.81	-	16.84
	As as March 31, 2025	3.10	-	12.56	-	15.66
Travelling and conveyance	As as March 31, 2026	5.61	-	82.50	-	88.11
	As as March 31, 2025	4.75	-	86.30	-	91.05
Printing and stationery	As as March 31, 2026	1.67	-	4.38	-	6.05
	As as March 31, 2025	1.33	-	4.77	-	6.10
Freight and forwarding charges	As as March 31, 2026	1.44	-	146.99	-	148.43
	As as March 31, 2025	2.73	-	163.45	-	166.18
Legal and professional fees	As as March 31, 2026	46.87	-	144.37	-	191.24
	As as March 31, 2025	40.95	-	120.57	-	161.52
Foreign exchange differences	As as March 31, 2026	(0.19)	-	4.78	-	4.59
	As as March 31, 2025	(0.13)	-	11.83	-	11.70
Warranty cost	As as March 31, 2026	0.32	-	86.25	-	86.57
	As as March 31, 2025	0.09	-	76.69	-	76.78
Miscellaneous expenses	As as March 31, 2026	10.36	-	54.92	-	65.28
	As as March 31, 2025	3.09	-	54.64	-	57.73
Bank charges	As as March 31, 2026	16.73	-	-	8.60	25.33
	As as March 31, 2025	6.96	-	-	8.95	15.91
Sales and promotion expenses	As as March 31, 2026	(0.08)	-	87.89	-	87.81
	As as March 31, 2025	-	-	99.22	-	99.22
Stores and spares	As as March 31, 2026	0.94	-	-	37.13	38.07
	As as March 31, 2025	-	-	-	39.10	39.10

** Staff welfare expenses includes employee related insurance expenses.*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

47 (a) DETAILS OF REVENUE EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT :

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense	20.70	13.04
Cost of material consumed	6.21	7.28
Legal and professional fees	9.87	15.49
Depreciation and amortisation expenses	19.24	11.93
Others	19.38	10.57
Total revenue expenditure directly related to research and development	**75.40**	**58.31**

(b) DETAILS OF CAPITAL EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tangible assets		
Buildings	1.97	4.13
Plant and equipment	20.26	20.60
Furniture and fixtures	0.08	0.59
Office equipments	0.56	1.55
Vehicles	1.74	3.70
Computers	0.38	0.48
Intangible assets		
Technical knowhow	45.12	49.39
Software	2.05	0.75
Total capital expenditure directly relatred to research and development	**72.16**	**81.19**

Note :

The above expenses is net off ₹ 36.09 (March 31, 2025 ₹ 32.82 Crore) grant received from Mr. Ashok M. Advani (promoter) to boost research and development activities of the Parent Company.

48. 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, 2026	89%	3,060.35	73%	385.10	(11%)	(1.81)	71%	383.29
Balance at March 31, 2025	93%	2,854.60	82%	484.90	(44%)	(1.57)	81%	483.33

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48. 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, 2026	10%	346.12	7%	37.55	1%	0.24	7%	37.79
Balance at March 31, 2025	10%	308.34	7%	40.17	2%	0.07	7%	40.24
2. Blue Star Climatech Limited								
Balance at March 31, 2026	20%	686.59	13%	67.02	0%	0.04	12%	67.06
Balance at March 31, 2025	20%	619.53	10%	61.52	(2%)	(0.06)	10%	61.46
Foreign subsidiary companies								
1. Blue Star Qatar - WLL								
Balance at March 31, 2026	1%	50.75	-1%	(6.92)	0%	-	-1%	(6.92)
Balance at March 31, 2025	2%	52.39	0%	0.79	0%	-	0%	0.79
2. Blue Star International FZCO								
Balance at March 31, 2026	3%	90.27	1%	6.63	0%	-	1%	6.63
Balance at March 31, 2025	2%	74.97	1%	4.52	0%	-	1%	4.52
3. Blue Star MEA Airconditioning LLC								
Balance at March 31, 2026	(1%)	(24.44)	1%	3.90	0%	-	1%	3.90
Balance at March 31, 2025	(1%)	(25.78)	0%	2.70	0%	-	0%	2.70
4. BSL AC&R (SINGAPORE) PTE. LTD.								
Balance at March 31, 2026	1%	25.72	0%	(0.24)	0%	-	0%	(0.24)
Balance at March 31, 2025	1%	23.41	0%	(0.09)	0%	-	0%	(0.09)
5. BLUE STAR NORTH AMERICA INC								
Balance at March 31, 2026	2%	58.18	6%	34.28	0%	-	6%	34.28
Balance at March 31, 2025	1%	19.47	3%	15.34	0%	-	3%	15.34
6. BLUE STAR EUROPE BV								
Balance at March 31, 2026	0%	3.98	0%	0.20	0%	-	0%	0.20
Balance at March 31, 2025	0%	(1.42)	(2%)	(10.23)	0%	-	(2%)	(10.23)
7. BLUE STAR INNOVATION JAPAN LLC								
Balance at March 31, 2026	1%	19.18	(0%)	(0.64)	0%	-	(0%)	(0.64)
Balance at March 31, 2025	1%	18.90	0%	0.27	0%	-	0%	0.27
8. Blue Star Air Conditioning & Refrigeration (U) Limited								
Balance at March 31, 2026	0%	(1.37)	0%	0.00	0%	-	0%	0.00
Balance at March 31, 2025	0%	(1.24)	0%	(1.26)	0%	-	0%	(1.26)
Joint ventures								
(investment as per the equity method)								
1. Blue Star M & E Engineering (Sdn) Bhd								
Balance at March 31, 2026	1%	39.23	0%	0.56	0%	-	0%	0.56
Balance at March 31, 2025	1%	29.59	0%	(1.33)	0%	-	0%	(1.33)
2. Blue Star Oman Electro-Mechanical Co. LLC								
Balance at March 31, 2026	0%	-	0%	0.00	0%	0.00	0%	0.00
Balance at March 31, 2025	0%	-	0%	0.00	0%	0.00	0%	0.00
Consolidated adjustments/ Eliminations								
Balance at March 31, 2026		(920.71)		(0.10)		17.77		17.67
Balance at March 31, 2025		(905.14)		(6.02)		5.12		(0.90)
Total								
Balance at March 31, 2026	**100%**	**3,433.86**	**100%**	**527.33**	**100%**	**16.24**	**100%**	**543.57**
Balance at March 31, 2025	**100%**	**3,067.62**	**100%**	**591.28**	**100%**	**3.56**	**100%**	**594.84**

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for the year ended March 31, 2026

49. 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, 2026 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, 2026			For the year ended March 31, 2025		
	At a point in time	Over time	Total #	At a point in time	Over time	Total #
Electro -mechanical projects and commercial air conditioning systems	2,984.68	3,682.15	6,666.83	2,359.40	3,581.89	5,941.29
Unitary products	5,223.28	58.07	5,281.35	5,517.83	49.59	5,567.42
Professional electronics and industrial systems	254.14	47.70	301.84	298.18	45.80	343.98
Total	**8,462.10**	**3,787.92**	**12,250.02**	**8,175.41**	**3,677.28**	**11,852.69**

 # Other operating revenue for the year ended March 31, 2026 ₹ 151.97 crore (March 31, 2025 : ₹ 114.96 crore) is not considered for revenue from contract with customers.

2. Reconciliation of contracted price with the revenue recognized in profit or loss:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products at transaction price and construction and service contracts at contracted price	12,532.15	12,135.97
Reductions towards variable consideration components *	(282.13)	(283.28)
Revenue recognised of profit and loss	**12,250.02**	**11,852.69**

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

3. Revenue recognised relating to performance obligations that were satisfied in a prior year amounted to ₹ Nil crore (March 31, 2025 ₹ Nil crore).

4. The aggregate value of order book as at March 31, 2026, is ₹ 6,923 crores (March 31, 2025 ₹ 6,263 crores). Out of this, the Group expects to recognise revenue of around 62% within the next one year and the remaining thereafter.

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for the year ended March 31, 2026

49. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS (Contd..)

5. Changes in contract assets and contract liabilities during the reporting period:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance - contract assets (net of impairment)	832.45	730.46
Opening balance - contract liabilities*	(281.17)	(235.94)
Net contract assets	**551.28**	**494.52**
Add : Revenue recognised during the year	3,787.92	3,677.28
Less : Progress billing during the year	(3,923.63)	(3,620.52)
Closing Balance	**415.57**	**551.28**
Closing balance contract assets (net of impairment)	726.50	832.45
Closing balance contract liabilities including income received in advance	(310.93)	(281.17)
The Group has recognised revenue out of opening contract liabilities	**246.45**	**186.43**

50. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE GROUP HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE:

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Companies
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Payable	(0.08)	(0.08)	Vendor
Cooltech Systems Private Limited	U74140DL2014PTC266635	Payable	(0.07)	(0.07)	Vendor
New Tech Infra Engineers	U45201DL2012PTC230791	Payable	(0.06)	(0.06)	Vendor
Ask Solar Private Limited	U40300TN2012PTC088834	Payable	*	(0.04)	Vendor
Vrv Engineers Private Limited	U50101TN2006PTC061058	Payable	*	(0.01)	Vendor
Fortune Metal Facades(Pune) Pvt Ltd	U27109PN2010PTC136584	Payable	(0.01)	(0.01)	Vendor
Saqib Tech India Private Limited	U22212DL2012PTC230515	Payable	*	*	Vendor
Scanstar Inspection Technology Private Limited	U74999TN2011PTC080315	Payable	*	*	Vendor
Pioneer Techno Engineering	U45303OR2012PTC016137	Payable	*	*	Vendor
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Payable	*	*	Vendor
Competent Engineers	U45203DL1981PTC012338	Payable	*	*	Vendor
United Agro Care India Private Limited	U01111PY2007PTC002031	Payable	*	*	Vendor
Jans Ayra Developers Privated Limited	U45400HR2014PTC051982	Payable	*	*	Vendor
Vsm Consulting Services	AAA-2181	Payable	*	*	Vendor
Acme D Ace Marketing Solutions	U93000DL2013PTC252498	Payable	*	*	Vendor
Apple Insulated Wires Private Limited	U31300DN1997PTC000182	Payable	*	*	Vendor
Gourmet King LLP	AAQ-5266	Payable	*	*	Vendor
Reidius Electricals Private Limited	U74999HR2017PTC069448	Payable	*	*	Vendor
UTR Bondings Private Limited	U63000RJ2017PTC057401	Payable	*	*	Vendor
Nabrup Merchant Private Limited	U51109WB2007PTC119741	Payable	*	*	Vendor

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50. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE GROUP HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Companies
S B Infrabuild Private Limited	U45200DL2010PTC206455	Payable	*	*	Vendor
Balicon Engineering & Tec	U93000TN2013PTC090657	Payable	*	*	Vendor
Saim Air Private Limited	U74900UP2014PTC063764	Payable	*	*	Vendor
Glacier Technologies Private Limited	U52334AS2005PTC007954	Payable	*	*	Vendor
Trouble Clear Consumer SroO	U74999DL2016PTC305347	Payable	*	*	Vendor
Stellent Engineering Solution	U74999DL2011PTC221535	Payable	*	*	Vendor
Hi - Volt Engineering Private Limited	U74999TN2012PTC085054	Payable	*	*	Vendor
Y-ARK Consultancy Services	U74120TG2015PTC101075	Payable	*	*	Vendor
Anuhan Construction Private Limited	U45400MH2012PTC235387	Advane to vendor	0.01	*	Vendor
Tonvolt Engineering Private Limited	U74999TN2017PTC118133	Advane to vendor	0.02	0.01	Vendor
Gold Fox Guardians Private Limited	U74999KA2017PTC103039	Advane to vendor	0.01	*	Vendor
Delotus Advaya Holistic Health	U74999UP2016PTC087589	Payable	*	*	Vendor
Skyline Distributors Private Limited	U26931DL1991PTC045481	Payable	*	*	Vendor
HYTECH ACR PRIVATE LIMITED	U74999MH2019PTC320731	Payable	*	-	Vendor
Kenovation Consultancy Private Limited	U72900PN2018PTC180644	Payable	*	-	Vendor
Sai-Meena Calibration Laboratory Private Limited	U29253MH2013PTC243354	Payable	*	-	Vendor
Multitech System Industrial Automation Private Limited	U28910TN2014PTC097924	Payable	-	-	Vendor
Govinda Choudhury & CO Private Limited	U45202OR1996PTC004300	Receivable	-	*	Customer
KMS Electronics Private Limited	U52335WB1994PTC065698	Receivable	-	*	Customer
Fair Electronics & Appliances	U32200MH1997PTC105675	Receivable	-	*	Customer
Ilona Hospitalites Private Limited	U55209KA2017PTC104385	Receivable	-	-	Customer
Air Command Hvac Engineer	U29192TN2007PTC064299	Receivable	*	*	Customer
Vedanta Healthcare Private Limited	U24230MH1996PLC102280	Receivable	-	*	Customer
Kashi Electronics Private Limited	U32101UP1983PTC006139	Receivable	*	*	Customer
Tranquility Industries	U29242PN2013PTC147716	Receivable	*	*	Customer
Associated Aircon Private Limited	U29192DL1999PTC100348	Receivable	*	*	Customer
Skyline Distributors Private Limited	U26931DL1991PTC045481	Receivable	*	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Receivable	*	*	Customer
Perfect Cool Services LLP	AAO-2492	Receivable	*	*	Customer
Congeal Technology Private Limited	U74999KA2017PTC107852	Receivable	*	-	Customer
Micro Flow Contamination	U90001TN2015PTC101441	Receivable	-	*	Customer
Jassbys Chennai Pvt Ltd Sherlock Bar	U55100TN2017PTC115361	Receivable	-	*	Customer
Koolnest Private Limited	U29191KA1996PTC020089	Receivable	*	*	Customer

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50. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE GROUP HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Companies
Shree Ganesh Aircon Engineers	U31909RJ2011PTC037423	Receivable	*	*	Customer
Impactiva Manufacturing Systems India Private Limited	U72900TN2012PTC087866	Receivable	-	*	Customer
Saim Air Private Limited	U74900UP2014PTC063764	Receivable	-	*	Customer
VBR Pacific Private Limited	U51909TN2019PTC130620	Receivable	*	*	Customer
The Minor Food Group (India) Private Limited	U55101DL2014PTC266136	Receivable	-	*	Customer
Sohnatel Hospitalities Private Limited	U55101DL2017PTC317579	Receivable	-	*	Customer
Lahari Resorts	U55103AP1996PTC022911	Receivable	*	*	Customer
Ice Cream Foods Private Limited	U15205MH2009PTC196634	Receivable	-	*	Customer
Concept Bakers Private Limited	U15411TN2010PTC076839	Receivable	*	*	Customer
Drool Foods Private Limited	U55101DL2010PTC208491	Receivable	*	*	Customer
Indo Fill India Limited	U24119DL1981PTC011341	Receivable	-	*	Customer
Serafina New York	U55100TG2013PTC089406	Receivable	-	*	Customer
Welspun India Limited	U99999MH1985PLC035092	Receivable	-	*	Customer
The Scottish High International	U80900DL2009NPL190770	Receivable	*	*	Customer
Adam Exports Private Limited	U17299MH2015PTC263547	Receivable	-	*	Customer
Narayana Multispeciality	U85110MH2011PTC220765	Receivable	-	*	Customer
Shroff eye centre	U85110GJ1997PTC031663	Receivable	-	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Receivable	*	*	Customer
Turner And Miller Technology	U72200KA2008PTC047612	Receivable	-	*	Customer
BMK Express Automobiles private limited	U50404TN2010PTC074181	Receivable	-	*	Customer
Factotum Consultancy Service	U74900PN2010PTC136350	Receivable	-	-	Customer
Habitare hotels and Resort	U55101HR2012PTC047878	Receivable	*	*	Customer
FUNTACY ICY DELIGHTS PRIVATE LIMITED	U15132GA2014PTC007407	Advance from customer	(0.01)	*	Customer
TRANSLANKA AIR TRAVELS	U63040TN2003PTC050381	Receivable	-	-	Customer
NEW GENERATION AUTO P LTD	U99999MH1989PTC050739	Receivable	*	*	Customer
Shamk Mercantile Private Limited	U52331OR2015PTC019261	Receivable	-	*	Customer

** Indicates amount less than ₹ 1 lakh*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

51. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i. 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.

ii. 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.

iii. 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

52. 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 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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

52. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

The outstanding position as at 31 March 2026 is summarised below:

Particulars	ESOP Plan 2024 - Grant I	ESOP Plan 2024 - Grant II
Grant Date	October 21, 2024	October 31, 2025
Fair value on grant date	1,983.61	1,904.43
Outstanding as on 31 March 2025	**80,660**	**-**
Granted during the year	-	80,431
Transfer In	-	-
Transfer Out	-	-
Forfeited during the period	19,119	-
Exercised during the period	3,182	-
Outstanding as on 31 March 2026	**58,359**	**80,431**
of above - vested outstanding options	11,549	-
of above unvested outstanding options	46,810	80,431

Particulars	ESOP Plan 2024 - Grant I / ESOP Plan 2024 - Grant II
Vesting period	The vesting schedule is as below:
	1st year (first tranche), 25%
	2nd year (second tranche), 25%
	3rd year (third tranche), 25%
	Remaining 25% at the end of 4th year.
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
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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

52. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

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 before 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.

Specific assumptions used in the Black-Scholes Option Pricing Formula for ESOP Plan 2024 - Grant I:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturiy 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%

Specific assumptions used in the Black-Scholes Option Pricing Formula for ESOP Plan 2024 - Grant II:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturiy term	Risk free rate of interest	Volatility	Dividend
21-Oct-26	1,937.40	2.00	4.00	6.22%	33.37%	0.345%
21-Oct-27	1,937.40	2.00	4.50	6.24%	32.22%	0.345%
21-Oct-28	1,937.40	2.00	5.00	6.27%	32.18%	0.345%
21-Oct-29	1,937.40	2.00	5.50	6.41%	32.80%	0.345%

During the year, the Company has recognized an expense of ₹ 7.48 crores (March 31, 2025 - ₹ 3.70 crores).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

53. 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 5, 2026 and May 6, 2026

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 06, 2026

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	26.02	25.82	25.82	94.84
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 & surplus (other equity)	335.53	142.15	50.23	76.45	(25.22)	(0.73)
7	Total assets	528.52	1,121.85	105.86	133.57	16.72	25.82
8	Total liabilities	182.40	435.26	55.11	43.30	41.17	0.10
9	Investments other than investments in subsidiary	86.22	9.05	-	-	-	-
10	Turnover (total income)	332.46	1,512.75	61.85	167.23	134.27	0.41
11	Profit/(loss) before taxation	49.64	81.20	(6.92)	7.73	4.51	(0.24)
12	Provision for taxation	12.03	14.18	-	1.10	0.61	-
13	Profit/(loss) after taxation	37.61	67.02	(6.92)	6.63	3.90	(0.24)
14	Other comprehensive income/(loss)	0.18	0.04	-	-	-	-
15	Total comprehensive income/ (loss)	37.79	67.06	(6.92)	6.63	3.90	(0.24)
16	Proposed dividend	-	-	-	-	-	-
17	% of Shareholding	100%	100%	49%	100%	100%#	100%**

**Closing exchange rate as on March 31, 2026 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*	94.84	109.00	0.59	-
5	Share capital issued and paid up.	15,000 Shares of USD 100/- each fully paid up	2,60,000 shares of EUR 10/- each fully paid up	-	-
6	Reserves & surplus (other equity)	43.96	(23.35)	(3.40)	(1.40)
7	Total assets	169.40	24.14	21.99	0.03
8	Total liabilities	111.22	20.15	2.81	1.40
9	Investments other than investments in subsidiary	-	-	-	-
10	Turnover (total income)	619.50	57.29	9.19	-
11	Profit/(loss) before taxation	43.85	0.20	(0.92)	-
12	Provision for taxation	9.58	-	0.29	-
13	Profit/(loss) after taxation	34.28	0.20	(0.64)	-
14	Other comprehensive income/ (loss)	-	-	-	-
15	Total comprehensive income/ (loss)	15.34	0.20	(0.64)	-
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

(₹ in crores)

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, 2026
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, 2026	255,000 shares of OMR 1 each	367,500 shares of RM 1 each
	Amount of investment in joint venture/associate	4.34	25.74
	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	-	19.22
6	Profit/(loss) for the year		
	i. Considered in consolidation	-	0.56
	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	-	0.56
	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 06, 2026

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, 2026, 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 Standalone 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, 2026, its profit and other 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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, 25, 28 and 48 to the standalone financial statement)	**Principal audit procedures 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. 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. 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. vi. Identified onerous contracts to record a provision for expected costs to be incurred till completion of the contract.

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)	**Principal audit procedures performed included the following:** i. Evaluated the design and implementation of internal controls over the review of valuation of trade receivables and contract assets. ii. Tested the operating effectiveness of the said internal controls for selected samples. 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. iv. Verified subsequent receipts for selected samples, post balance sheet date. v. Verified the management's estimates for provision of expected credit loss in terms of Ind AS 109 on Financial Instruments.

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 standalone 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 38 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 the 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 20 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The 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 system for maintaining its books of account for the financial year ended March 31, 2026 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 system. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora
Partner
Membership No. 100459
UDIN-26100459OTREOQ5979

Place: Mumbai
Date: May 06, 2026

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, 2026 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 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to 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, 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, 2026, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ketan Vora
Partner
Membership No. 100459
UDIN-26100459OTREOQ5979

Place: Mumbai
Date: May 06, 2026

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 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 title 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, 2026 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 ₹ 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) 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:

(₹ in crores)

Particulars	Loan Amount
A. Aggregate amount granted / provided during the year:	
- Subsidiary	145.00
- Others (Employees)	10.02
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiary	0.00
- Others (Employees)	9.18

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

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans 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, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales Tax, Service Tax, duty of Excise, Value Added Tax are not applicable to the Company.

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, 2026 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, 2026 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 2002-03, PY 2005-06 and PY 2006-07	5.48	4.73
		Income Tax Appellate Tribunal (ITAT)	PY 2017-18	6.90	6.90
		Commissioner of Income Tax Appeals	PY 2007-08, PY 2008-09, PY 2013-14 to PY 2017-18 and PY 2019-20 to PY 2022-23	105.35	105.35
		Assessing Officer	PY 2006-07	1.28	1.28

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ Crore)	Amount unpaid (₹Crore)
Local Sales Tax Act, Central Sales Tax Act and VAT Act	VAT, CST, Sales Tax, Entry Tax	Supreme Court/High Court	FY 2002-03, FY-2003-04, FY 2009-10, and FY 2010-11	9.47	9.47
		Tribunal and Appellate Board	FY 2001-02, FY 2002-03, FY 2008-09 to FY 2013-14 and FY 2015-16 to FY 2017-18	8.49	3.43
		Commissioner Appeals, Commercial Tax Officer and Assessing Officer (CWG)	FY 2001-02 and FY 2007-08 to FY 2017-18	1.95	1.46
Service tax under Finance Act, 1994	Service tax	CESTAT	FY 2004-05 to FY 2017-18	8.88	8.66
		Commissioner (Appeals)	FY 2007-08 to FY 2017-18	0.50	0.47
Customs Act, 1962 and Central Excise Act, 1944	Excise Duty and Customs	CESTAT	FY 1988-89 and FY 1994-95 to FY 1995-96	0.23	0.23
		Commissioner (Appeals) and Superintendent	FY 1987-88 to FY 1989-90 and FY 2015-16	0.10	0.10
Goods and Service Act, 2017	Goods and Service Tax	Commissioner appeals, Joint Commissioner appeals, Additional Commissioner appeals	FY 2017-18 to FY 2022-23 and FY 2024-25 to FY 2025-26	23.34	20.95
		Joint Commissioner of State Tax, Assistant Commissioner of State Tax	FY 2017-18 to FY 2019-20	1.78	1.62

(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 3(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 whistle blower 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, 2026.

(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 it's 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 3(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 3(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
Membership No. 100459
UDIN-26100459OTREOQ5979

Place: Mumbai
Date: May 06, 2026

Standalone Balance Sheet

as at March 31, 2026

₹ Crores

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
A ASSETS			
1. Non-current assets			
(a) Property plant and equipment	4	825.82	712.05
(b) Capital work-in-progress	5	61.89	54.18
(c) Investment property	6	*	*
(d) Right-of-use assets	7	158.86	167.89
(e) Intangible assets	8A	154.18	112.02
(f) Intangible assets under development	8B	71.40	49.81
(g) Contract assets	16B	0.01	-
(h) Financial assets			
(i) Investments	9	822.47	817.56
(ii) Loans	10	22.86	19.54
(iii) Other financial assets	11	60.77	32.02
(i) Income tax assets (net)	27	137.71	120.50
(j) Other non-current assets	16A	35.79	29.50
Total non-current assets		**2,351.76**	**2,115.07**
2. Current assets			
(a) Inventories	12	1,852.85	1,779.47
(b) Contract assets	16B	704.76	815.95
(c) Financial assets			
(i) Investments	9	339.98	388.94
(ii) Trade receivables	13	1,949.91	1,816.99
(iii) Cash and cash equivalents	14	292.07	299.76
(iv) Other bank balances	15	25.05	6.34
(v) Loans	10	4.54	64.21
(vi) Other financial assets	11	61.31	24.71
(d) Other current assets	16A	373.21	395.01
Total current assets		**5,603.68**	**5,591.38**
Total assets		**7,955.44**	**7,706.45**
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	17	41.12	41.12
(b) Other equity	18	3,019.23	2,813.48
Total equity		**3,060.35**	**2,854.60**
2. Non-current liabilities			
(a) Contract Liabilties	24B	1.08	0.01
(b) Financial liabilities			
- Lease liabilities	22	126.34	137.22
(c) Provisions	25	50.71	25.01
(d) Government grants	26	10.62	16.90
(e) Deferred tax liabilities	27	19.80	4.42
Total non-current liabilities		**208.55**	**183.56**
3. Current liabilities			
(a) Contract liabilities	24B	288.97	249.79
(b) Financial liabilities			
(i) Borrowings	20	737.11	318.90
(ii) Lease liabilities	22	54.99	44.24
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	21	255.84	229.41
(b) Total outstanding dues of creditors other than micro and small enterprises		2,471.26	2,927.48
(iv) Other financial liabilities	23	53.91	48.43
(c) Government grants	26	1.33	1.52
(d) Other current liabilities	24A	665.96	721.04
(e) Provisions	25	108.26	79.64
(f) Income tax liabilities (net)	27	48.91	47.84
Total current liabilities		**4,686.54**	**4,668.29**
Total equity and liabilities		**7,955.44**	**7,706.45**

* 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

Mumbai: May 06, 2026

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 Profit and Loss

for the year ended March 31, 2026

₹ Crores

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	28	11,779.23	11,325.75
Other income	29	54.94	61.58
Total income (I)		**11,834.17**	**11,387.33**
Expenses			
Cost of materials consumed (including direct project and service cost)	30	7,056.35	6,593.60
Purchase of stock-in-trade	30	2,420.44	2,517.77
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(116.81)	(278.60)
Employee benefits expenses	31	771.84	747.69
Finance cost	32	75.85	50.89
Depreciation and amortisation expenses	33	142.15	96.42
Other expenses	34	924.70	1,009.63
Total expenses (II)		**11,274.52**	**10,737.40**
Profit before exceptional items and tax (I) – (II)		**559.65**	**649.93**
Exceptional items	35	(37.19)	-
Profit before tax		**522.46**	**649.93**
Tax expense			
(i) Current tax	27	121.98	164.44
(ii) Deferred tax charge	27	15.38	0.59
Total tax expenses		**137.36**	**165.03**
Profit for the year		**385.10**	**484.90**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit / (loss)			
Re-measurement gain/(loss) on defined benefit plans		(2.42)	(2.10)
Income tax relating to items that will not be reclassified to profit / (loss)	27	0.61	0.53
Other comprehensive income / (loss) for the year		**(1.81)**	**(1.57)**
Total comprehensive income for the year		**383.29**	**483.33**
Earnings per share (face value of ₹ 2 per share)	36		
Basic (in ₹)		18.73	23.58
Diluted (in ₹)		18.73	23.58
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 06, 2026

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 Changes in Equity

for the year ended March 31, 2026

(A) EQUITY SHARE CAPITAL

For the year ended March 31, 2026

₹ 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

** Indicates amount less than ₹ 1 Lakh for 21,818 equity shares held as treasury shares under ESOP Trust.*

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

(B) OTHER EQUITY

For the year ended March 31, 2026

₹ 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 earnings (refer note 18)	
Balance as at April 1, 2025	1,171.11	2.34	0.60	326.05	3.70	1,309.68	**2,813.48**
Profit for the year	-	-	-	-	-	385.10	**385.10**
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(1.81)	**(1.81)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**383.29**	**383.29**
Dividend (refer note 19)	-	-	-	-	-	(185.05)	**(185.05)**
Share based payment expense	-	-	-	-	7.48	-	**7.48**
Impact of ESOP Trust consolidation	-	-	-	-	-	0.03	**0.03**
Balance as at March 31, 2026	**1,171.11**	**2.34**	**0.60**	**326.05**	**11.18**	**1,507.95**	**3,019.23**

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 earnings (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 payment expense	-	-	-	-	3.70	-	3.70
Impact of ESOP Trust consolidation	-	-	-	-	-	-	-
Balance as at March 31, 2025	**1,171.11**	**2.34**	**0.60**	**326.05**	**3.70**	**1,309.68**	**2,813.48**

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 06, 2026

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, 2026

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**522.46**	**649.93**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	142.15	96.42
Finance cost	75.85	50.89
Rental income	(0.55)	(0.52)
Interest income	(11.99)	(12.93)
Equity settled share-based payment expenses	6.90	3.36
Gain on disposal of current investments measured at FVTPL (net)	(20.59)	(29.72)
Unrealised exchange rate difference (net)	0.42	(0.08)
Loss on disposal of property, plant & equipment (net)	1.94	3.92
Deferred income arising on government grant	(6.47)	(2.71)
Unrealised gain on commodity hedging	-	1.37
Bad debts written off and provision for doubtful debts	6.93	39.08
Provisions and liabilities written back	(35.17)	(26.50)
Gain on termination of lease	(0.65)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**681.23**	**772.51**
Adjustment for movement in working capital :		
(Increase)/decrease in trade receivables	(138.21)	(56.05)
(Increase)/decrease in inventories	(73.38)	(546.81)
(Increase)/decrease in financial assets / other assets	(35.61)	(227.92)
(Increase)/decrease in contract assets	111.18	(131.48)
Increase/(decrease) in trade payables	(400.40)	779.81
Increase/(decrease) in financial liabilities / other liabilities	(56.47)	118.72
Increase/(decrease) in contract liabilities	40.26	67.76
Increase/(decrease) in government grants	(1.55)	9.59
Increase/(decrease) in provisions	51.90	36.52
Cash generated from operations	**178.95**	**822.65**
Income taxes paid (net of refund)	(137.51)	(160.45)
Net cash generated from operating activities (A)	**41.44**	**662.20**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress, intangibles under development, capital advance and capital creditors]	(287.36)	(258.15)
Government grants toward purchase of equipment	1.55	2.71
Proceeds from disposal of property, plant and equipment	5.29	2.26
Proceeds on disposal of current investments measured at FVTPL	5,576.55	5,008.99
Purchase of current investments measured at FVTPL	(5,507.01)	(5,178.22)
Investment in deposits	(30.20)	-
Maturity of deposits	0.03	-
Purchase of equity instruments of subsidiary companies measured at cost	(4.91)	(50.40)
Inter corporate deposit repaid by subsidiary	205.00	50.00
Inter corporate deposit given to subsidiary	(145.00)	(85.00)
Rent received	0.55	0.52
Interest received	9.58	12.37
Net cash used in investing activities (B)	**(175.93)**	**(494.92)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter corporate deposit taken from subsidiary	535.00	245.00
Inter corporate deposit repaid to subsidiary	(540.00)	(205.00)
Commercial papers borrowed	2,700.00	925.00
Commercial papers repaid	(2,500.00)	(925.00)
Proceeds from current borrowings (net)	225.00	43.54
Repayment of lease liabilities	(52.25)	(29.97)
Finance cost paid	(55.77)	(35.21)
Initial cost on issue of equity shares	-	(0.54)
Dividend paid to equity holders of the Company	(184.76)	(143.92)
Net cash (used in) / generated from financing activities (C)	**127.22**	**(126.10)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	**(7.27)**	**41.18**
Cash and cash equivalents at the beginning of the year	299.76	258.49
Effect of exchange differences on restatement of foreign currency cash & cash equivalents	(0.42)	0.08
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**292.07**	**299.76**

Standalone Statement of Cash Flows

for the year ended March 31, 2026

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
– In current accounts	96.71	96.09
– In fixed deposits	195.16	203.51
Cash on hand	0.20	0.16
Total cash and cash equivalents (refer note 14)	**292.07**	**299.76**
Balance as per statement of cash flows	**292.07**	**299.76**

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, 2026 :

₹ Crores

Particulars	Current borrowings	Lease liabilities
Balance as at the beginning of the year	**318.90**	**181.46**
Inter corporate deposit	(5.00)	-
Other cash flows during the year (net)	425.00	(52.25)
Prepaid interest on commercial papers	(1.79)	-
Bank overdraft	-	-
Balance as at the end of the year (excluding interest liability on borrowings)	**737.11**	**129.21**
Non cash changes due to :		
- Acquisitions under finance lease	-	34.42
- Interest on finance lease	-	17.70
Balance as at the end of the year (including interest liability on borrowings)	**737.11**	**181.33**

Reconciliation between the opening and closing balances for liabilities arising from financing activities for the year ended March 31, 2025 :

₹ Crores

Particulars	Current borrowings	Lease liabilities
Balance as at the beginning of the year	**235.48**	**76.49**
Inter corporate deposit	40.00	-
Other cash flows during the year (net)	43.54	(29.97)
Prepaid interest on commercial papers	-	-
Bank overdraft	(0.12)	-
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**

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 06, 2026

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter 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 preperation 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 Company 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. 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Shared Based Payment

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equityinstruments. 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 Company'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.

The incremental borrowing rate is determined based on the specific terms of the lease, including its tenure, currency and commencement date, and is derived using a combination of observable market data and entity-specific inputs such as the risk-free rate based on relevant government bond yields, appropriate country-specific risk premiums, and credit risk adjustments reflecting the entity's own credit profile, along with any further adjustments required to reflect differences in the entity's risk characteristics where applicable.

(a) Right-of-use asset :

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

•	Office building	60 years
	Average lease term	1 to 10 years

(b) Lease liability :

Lease liability is measured by discounting the lease payments using the interest rate using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

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

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

As a lessor

Leases in which the Company 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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

amounts for financial reporting purposes at the reporting date. .

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.

The cost of property, plant and equipment comprises its purchase price, including applicable import duties and non-refundable taxes, and any directly attributable costs required to bring the asset to the location and condition necessary for it to operate as intended. Costs incurred on replacement of significant components are recognised in the carrying amount of the asset when the recognition criteria are met. All other repairs and maintenance costs are recognised in profit or loss as incurred.

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 & Machinery (Patterns, moulds and dies)	5-20
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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'.

(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 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 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.

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 Companys 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 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 re-assessing categorisation (based on the lowest

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 (legal or constructive) 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

(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 Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Recent accounting pronouncements:

New and amended IND AS effective from April 01, 2025

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, 2026, MCA has notified below amendments to the Ind ASs that are effective for an annual period that begins on or after 1 April 2025.

Amendments to Ind AS 21 The Effect of Changes in Foreign Exchange Rates titled Lack of Exchangeability.

Amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

Amendments to Ind AS 1 Presentation of Financial Statements.

Amendments to Ind AS 12 Income Taxes titled International Tax Reform Pillar Two Model Rules. 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. At the date of authorisation of these financial statements, the Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Amendments to Ind AS 1 Presentation of Financial Statements: Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e., after the reporting date but before approval of the financial statements) agrees not to demand payment.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

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 Company 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 Company 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 Company reverts to recognizing impairment loss allowance based on 12-month ECL.

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

As a practical expedient, the Company 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 Standalone 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 the Standalone Financial Statements

for the year ended March 31, 2026

4. PROPERTY PLANT AND EQUIPMENT

₹ Crores

Particulars	Land - freehold	Leasehold Improvements	Buildings	Plant & equipment	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
Gross carrying value									
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**
As at April 1, 2025	15.33	5.75	206.12	656.45	20.86	16.74	71.03	30.08	**1,022.36**
Additions during the year	-	9.30	12.94	126.53	7.27	4.40	26.79	9.06	**196.29**
Disposals / Transfers during the year	-	(0.05)	(0.60)	(23.40)	(0.24)	(0.75)	(10.65)	(0.66)	**(36.35)**
As at March 31, 2026	**15.33**	**15.00**	**218.46**	**759.58**	**27.89**	**20.39**	**87.17**	**38.48**	**1,182.30**
As at April 1, 2024	-	5.06	40.80	180.54	6.38	5.01	17.37	27.15	**282.32**
Disposals / Transfers 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**
As at April 1, 2025	-	5.48	46.71	204.87	6.24	5.56	22.68	18.77	**310.31**
Disposals / Transfers during the year	-	(0.05)	(0.56)	(20.33)	(0.22)	(0.66)	(7.17)	(0.63)	**(29.62)**
Depreciation charged for the year	-	1.61	7.60	40.37	2.21	2.64	14.66	6.70	**75.79**
As at March 31, 2026	**-**	**7.04**	**53.75**	**224.91**	**8.23**	**7.54**	**30.17**	**24.84**	**356.48**
Net Book Value									
As at March 31, 2026	15.33	7.96	164.71	534.67	19.66	12.85	57.00	13.64	**825.82**
As at March 31, 2025	15.33	0.27	159.41	451.58	14.62	11.18	48.35	11.31	**712.05**

Note:

1. *The title deeds of all immovable properties disclosed under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at March 31, 2026.*
2. *Depreciation capitalised towards research and development expenditure for property, plant and equipment for year ended March 31, 2026 is ₹ 4.80 crore (March 31, 2025 ₹ 6.44 crore).*

5. CAPITAL WORK-IN-PROGRESS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	54.18	26.21
Add : Additions during the year	204.00	194.39
Less : Capitalisation during the year	(196.29)	(166.42)
Balance as at the end of the year	**61.89**	**54.18**

Ageing of Capital work in progress

₹ Crores

Particulars	As at March 31, 2026					As at March 31, 2025				
	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	52.85	9.04	-	-	61.89	53.71	0.47	-	-	54.18
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	**52.85**	**9.04**	**-**	**-**	**61.89**	**53.71**	**0.47**	**-**	**-**	**54.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

5. CAPITAL WORK-IN-PROGRESS (Contd..)

Note:

1. Refer note 39(b) for disclosure of contractual commitment for acquisition of property, plant and equipment.
2. 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.
3. 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 42)	
As at March 31, 2026	**8.28**
As at March 31, 2025	**7.84**

 # 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 assets	Area (Sq. ft)	Period
Building (Sahas)	2050	5 years

ii) **Disclosure in respect of assets given on operating lease included in following heads :**

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Investment property	*	*

Movement in Fair Valuation of Investment Property

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**7.84**	**7.62**
Add: Increase in fair valuation	0.44	0.22
Balance at the end of the year	**8.28**	**7.84**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

6. INVESTMENT PROPERTY (Contd..)

Information regarding Income & Expenditure of Investment property

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property	0.55	0.52
Direct operating expenses (including repairs and maintenance) associated with investment properties	-	-
Profit arising from investment property before depreciation and indirect expenses	**0.55**	**0.52**
Less: Depreciation charged during the year	*	*
Profit arising from Investment property before indirect expenses	**0.55**	**0.52**

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

₹ Crores

Particulars	Building	Total
Gross carrying value		
As at April 1, 2024	156.43	156.43
Additions during the year	128.81	128.81
Disposals / transfers during the year	-	-
As at March 31, 2025	**285.24**	**285.24**
As at April 1, 2025	285.24	285.24
Additions during the year	42.90	42.90
Disposals / transfers during the year	(6.74)	(6.74)
As at March 31, 2026	**321.40**	**321.40**
Accumulated amortisation		
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**
As at April 1, 2025	117.35	117.35
Amortisation for the year	45.19	45.19
As at March 31, 2026	**162.54**	**162.54**
Net Book Value		
As at March 31, 2026	**158.86**	**158.86**
As at March 31, 2025	**167.89**	**167.89**

Note: Depreciation capitalised towards research and development expenditure for right of-use assets for year ended March 31, 2026 is ₹ 3.16 crore (March 31, 2025 ₹ 3.52 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

8A. INTANGIBLE ASSETS

₹ Crores

Particulars	Technical knowhow (Internally generated)	Software (Acquired)	Total
Gross carrying value			
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**
As at April 1, 2025	97.69	148.46	**246.15**
Additions during the year	45.12	26.73	**71.85**
Disposals / Transfers during the year	(0.78)	(0.05)	**(0.83)**
As at March 31, 2026	**142.03**	**175.14**	**317.17**
Accumulated Amortisation			
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**
As at April 1, 2025	39.68	94.45	**134.13**
Disposals / Transfers during the year	(0.24)	(0.03)	**(0.27)**
Amortisation for the year	13.68	15.45	**29.13**
As at March 31, 2026	**53.12**	**109.87**	**162.99**
Net Book Value			
As at March 31, 2026	**88.91**	**65.27**	**154.18**
As at March 31, 2025	**58.01**	**54.01**	**112.02**

8B. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development		
Balance as at the beginning of the year	49.81	18.96
Add : Additions during the year	93.44	76.57
Less : Capitalisation during the year	(71.85)	(45.72)
Balance as at the end of the year	**71.40**	**49.81**

Ageing of Intangible Assets Under Development

₹ Crores

Particulars	As at March 31, 2026				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	66.55	4.73	0.12	-	71.40
Projects temporarily suspended	-	-	-	-	-
Total Intangible assets under development	**66.55**	**4.73**	**0.12**	**-**	**71.40**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

8B. INTANGIBLE ASSETS UNDER DEVELOPMENT (Contd..)

₹ Crores

Particulars	As at March 31, 2025				
	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**

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	Paid up value per share	As at March 31, 2026		As at March 31, 2025	
		No. of shares/ units	₹ Crores	No. of shares/ units	₹ Crores
I. Non current investments					
Investments carried at cost reduced by accumulated impairment					
Investment in equity instruments					
Investment in subsidiaries					
Blue Star Engineering and Electronics Limited	₹ 2 each	5,29,25,052	210.89	5,29,25,052	210.89
Blue Star Qatar (WLL)	QR 2000	49	0.12	49	0.12
Blue Star International FZCO	AED 2000	5,350	9.81	5,350	9.81
Blue Star Climatech Limited	₹ 10 each	54,44,40,000	544.44	54,44,40,000	544.44
Blue Star North America Inc	USD 100	15,000	12.41	15,000	12.41
Blue Star Europe BV	EUR 10	2,60,000	23.86	2,10,000	18.95
Investment in Blue Star Innovation Japan LLC	-	-	20.94	-	20.94
Investment in Joint Ventures					
Blue Star Oman Electro-Mechanical Co. LLC (Refer Note 39)	OMR 1	2,55,000	4.34	2,55,000	4.34
Less: Impairment (Refer note a below)			(4.34)		(4.34)
Total Non current investments			**822.47**		**817.56**
Aggregate amount of unquoted investments at cost			**822.47**		**817.56**
II. Current investments					
Investment in units of mutual funds measured at FVTPL					
Investment in unquoted units of mutual funds					
Growth Scheme					
HDFC Mutual Fund		-	-	19,667.950	10.02
ICICI Prudential Mutual Fund		8,30,740.438	33.40	22,81,982.577	85.95
SBI Mutual Fund		21,93,338.414	25.06	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

9. INVESTMENTS (Contd..)

Particulars	Paid up value per share	As at March 31, 2026		As at March 31, 2025	
		No. of shares/ units	₹ Crores	No. of shares/ units	₹ Crores
UTI Mutual Fund		1,24,610.158	50.47	3,23,471.223	99.00
Aditya Birla Mutual Fund		15,35,323.855	60.21	5,26,422.192	22.05
Axis Mutual Fund		-	-	1,27,147.352	36.66
Kotak Mutual Fund		67,37,580.333	43.18	67,25,079.427	36.41
Nippon India Mutual Fund		43,242.339	29.16	2,39,822.529	98.85
TATA Mutual Fund		66,71,677.244	66.96	-	-
DSP Mutual Fund		41,889.140	16.51	-	-
HSBC Mutual Fund		54,738.556	15.03	-	-
Total current investments			**339.98**		**388.94**
Aggregate amount of unquoted investments at FVTPL			**339.98**		**388.94**

a. The Company holds 51% shareholding in Blue Star Oman Electro-Mechanical Co. LLC. However, the profit/loss sharing is on 50-50 basis and the investment is therefore accounted for as a joint venture. During FY19, the Company decided to exit from this joint venture. The Company has made an application to the Reserve Bank of India for its approval for a write-off of loans and investment in this Joint Venture under the provisions of the Foreign Exchange Management Act.

10. LOANS (UNSECURED UNLESS OTHERWISE STATED)

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost				
Loans to employees, considered good	22.86	19.54	4.54	4.21
Inter corporate deposit given to subsidiary (related party - refer note no. 39)	-	-	-	60.00
Loan to joint venture - credit impaired (related party - refer note 39)	4.46	4.46	-	-
Less: Loss allowance (refer note 9a)	(4.46)	(4.46)	-	-
Total loans	**22.86**	**19.54**	**4.54**	**64.21**

Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015 and as per section 186(4) of Companies Act, 2013

Details of loans and advances in the nature of loans to related party :

₹ Crores

Name of the recipient entity	Relationship with the Company	Purpose	As at March 31, 2026		As at March 31, 2025	
			Maximum amount outstanding	Amount outstanding	Maximum amount outstanding	Amount outstanding
Blue Star Climatech Limited	Wholly owned subsidiary	For working capital	90.00	-	60.00	60.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

10. LOANS (UNSECURED UNLESS OTHERWISE STATED) (Contd..)

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

   (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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Security deposits, considered good	46.38	28.37	26.14	11.06
Security deposits, credit impaired	-	-	3.22	2.91
Less: Loss allowance	-	-	(3.22)	(2.91)
	46.38	**28.37**	**26.14**	**11.06**
Bank deposits with more than 12 months maturity (including accrued interest thereon) (refer note a)	14.39	3.65	-	-
Other financial assets (Includes grant receivable and insurance claim receivable etc.) (refer note c)	-	-	32.83	13.65
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts (refer note b)	-	-	2.34	-
Total other financial assets	**60.77**	**32.02**	**61.31**	**24.71**

(a) Margin money deposits

Margin money deposits with a carrying amount of ₹ 3.64 Crores (As at March 31, 2025 : ₹ 3.65 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) Other financial assets

Grant receivable includes grant receivable from Mr. Ashok M Advani (promoter) to boost research and development activities of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

12. INVENTORIES

(Valued at lower of cost and net realisable value)

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	720.16	757.99
Work-in-progress	113.59	109.99
Finished goods	447.15	373.64
Stock-in-trade	498.21	458.51
Store and Spares	73.74	79.34
Total inventories	**1,852.85**	**1,779.47**
Inventories includes Goods-in-transit		
Raw materials and components	98.94	85.00
Finished goods	69.48	39.84
Stock-in-trade	108.24	54.43
Total goods-in-transit	**276.66**	**179.27**

The above inventory values are net of provisions made of ₹ 37.38 crores (March 31, 2025 : ₹ 31.58 crores) for slow moving, obsolete and defective inventory.

13. TRADE RECEIVABLES

₹ Crores

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - unsecured	2,021.80	1,887.77
Trade receivables - credit impaired	43.02	60.61
	2,064.82	**1,948.38**
Less: Allowance for doubtful debts and credit loss	(114.91)	(131.39)
Total trade receivables	**1,949.91**	**1,816.99**

(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 the Standalone Financial Statements

for the year ended March 31, 2026

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:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	131.39	112.79
Add: Impairment loss recognised (refer note 34)	17.46	40.95
Less: Allowances provided earlier written back	(10.49)	(3.91)
Less: Allowances provided earlier written off as bad debts (refer note 34)	(23.45)	(18.44)
Balance as at the end of the year	**114.91**	**131.39**

Ageing of trade receivables

₹ Crores

Particulars	As at March 31, 2026						
	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	975.49	858.31	76.86	80.70	18.35	12.09	2,021.80
Trade receivables - credit impaired	0.00	0.16	0.62	7.73	14.18	20.33	43.02
	975.49	**858.47**	**77.48**	**88.43**	**32.53**	**32.42**	**2,064.82**
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**
Total trade receivables	**975.49**	**858.47**	**77.48**	**88.43**	**32.53**	**32.42**	**2,064.82**
Less: Allowance for doubtful debts and credit loss							(114.91)
Total trade receivables	**975.49**	**858.47**	**77.48**	**88.43**	**32.53**	**32.42**	**1,949.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

13. TRADE RECEIVABLES (Contd..)

Ageing of trade receivables

₹ Crores

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
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	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**
Total trade receivables	**912.05**	**787.92**	**105.38**	**72.46**	**43.22**	**27.35**	**1,948.38**
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**

14. CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Balances with banks:		
– In current accounts	96.71	96.09
– Deposits with original maturity of less than 3 months	195.16	203.51
Cash on hand	0.20	0.16
Total cash and cash equivalents	**292.07**	**299.76**

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

15. OTHER BANK BALANCES

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Other bank balances		
- Unpaid dividend* (refer note - 23)	3.91	3.62
- Deposits with original maturity of more than 3 months but less than 12 months	21.14	2.63
- Cash & Bank balance not available for immediate use	-	0.09
Total other bank balances	**25.05**	**6.34**

**The Company has earmarked these balances only towards settlement of unclaimed dividend and fractional shares.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

16A. OTHER ASSETS

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Retention	-	-	71.07	66.77
Capital advances	16.58	10.42	-	-
Balances with statutory authorities	23.78	24.47	159.50	158.78
Less: Loss allowance	(5.80)	(5.80)	-	-
Balance with statutory authorities (Net)	**17.98**	**18.67**	**159.50**	**158.78**
Advance to suppliers	-	-	72.82	94.68
Less: Loss allowance	-	-	(1.00)	(1.00)
Advance to suppliers (Net)	**-**	**-**	**71.82**	**93.68**
Prepaid expenses	1.23	0.41	62.56	61.28
Government grant receivable	-	-	8.26	14.50
Total other assets	**35.79**	**29.50**	**373.21**	**395.01**

16B. CONTRACT ASSETS

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Contract assets (Unsecured, considered good)	0.01	-	726.89	844.24
Less: Loss Allowance	-	-	(22.13)	(28.29)
Total contract assets (net)	**0.01**	**-**	**704.76**	**815.95**

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	28.29	39.12
Impairment loss recognised / (reversal)	27.33	14.02
Less : Allowances provided earlier written off	(33.49)	(24.85)
Balance as at the end of the year	**22.13**	**28.29**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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, 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**
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2026	**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, 2024	**20,56,14,788**	**41.12**	**-**	**-**	**-**	**-**	**-**	**-**
Increase/(Decrease) during the year	-	-	-	-	-	-	-	-
At March 31, 2025	**20,56,14,788**	**41.12**	**-**	**-**	**-**	**-**	**-**	**-**
Increase/(Decrease) during the year	(21,818)	*	-	-	-	-	-	-
At March 31, 2026	**20,55,92,970**	**41.12**	**-**	**-**	**-**	**-**	**-**	**-**

** Indicates amount less than ₹ 1 Lakh*

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ Crores	Number of shares	₹ Crores
Balance as at the beginning of the year	20,56,14,788	41.12	20,56,14,788	41.12
Less : Treasury shares held under ESOP trust (refer note below)	(21,818)	*	-	-
Balance at the end of the year	**20,55,92,970**	**41.12**	**20,56,14,788**	**41.12**

Note : The Company has implemented the Blue Star Employees Stock Option Scheme 2024 ("ESOP 2024") to incentivize employees, under which up to 5,00,000 stock options may be granted, each convertible into one equity share of face value ₹2, subject to vesting and exercise conditions. The scheme is administered through the Blue Star ESOP Trust (the "Trust") to facilitate acquisition and transfer of shares to employees. Blue Star Sahayata Foundation (BSSF), a Trust settled by the Promoters of the Company, has authorised its Trustees to transfer from time to time, equity shares of the Company held by BSSF to ESOP Trust. For accounting purposes, the Trust is consolidated and shares held by it are treated as treasury shares and presented as a deduction from equity until transferred to employees upon exercise.

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	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%	1,55,69,860	7.57%

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 the Standalone Financial Statements

for the year ended March 31, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Shareholding pattern of promoters and changes in holding during the year

Share held by promoters at the end of the year		As at March 31, 2026			As at March 31, 2025		
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%	0%
Vir S Advani	Promoter	22,30,731	1.08%	0.82%	22,12,550	1.08%	2.95%
Ria Talati Advani	Promoter Group	28,300	0.01%	0.00%	28,300	0.01%	0%
Sunaina Murthy	Promoter	21,45,050	1.04%	0.00%	21,45,050	1.04%	0%
Dinesh Nanik Vaswani	Promoter	53,888	0.03%	0.00%	53,888	0.03%	0%
Suneeta Nanik Vaswani	Promoter Group	16,54,644	0.80%	0.00%	16,54,644	0.8%	(6.02%)
Rohina Lulla	Promoter Group	43,49,260	2.12%	0.00%	43,49,260	2.12%	0%
Anissa Khanna	Promoter Group	42,65,646	2.07%	0.00%	42,65,646	2.07%	0%
Nargis Suneel Advani	Promoter Group	22,73,872	1.11%	0.00%	22,73,872	1.11%	0%
Sanjay N Vaswani	Promoter Group	2,43,950	0.12%	0.00%	2,43,950	0.12%	0%
Armaan Sandeep Murthy	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05%	0%
Jay Talati Advani	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05%	0%
Sumer Sandeep Murthy	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05%	0%
Uday Vir Advani	Promoter Group	1,00,000	0.05%	0.00%	1,00,000	0.05%	0%
Anita Ashok Advani*	Promoter Group	-	0.00%	(100.00%)	60,000	0.03%	0%
Dev Khanna	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Preeti Vaswani	Promoter Group	53,700	0.03%	0.00%	53,700	0.03%	0%
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%	0%
Vistra Itcl (India) Limited as a Trustee of SMA Family Private Trust	Promoter Group	1,55,69,860	7.57%	0.00%	1,55,69,860	7.57%	(0.83%)
Ashok Mohan Advani as a Trustee of Suneeta Padmi Trust	Promoter Group	11,75,344	0.57%	0.00%	11,75,344	0.57%	0%
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%	0%
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%	0%

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

17. EQUITY SHARE CAPITAL (Contd..)

Share held by promoters at the end of the year		As at March 31, 2026			As at March 31, 2025		
Name of Promoters		**Number of shares**	**% of total shares**	**% Changes during the year**	**Number of shares**	**% of total shares**	**% Changes during the year**
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust	Promoter Group	11,74,784	0.57%	0.00%	11,74,784	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust	Promoter Group	11,74,780	0.57%	0.00%	11,74,780	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Suneeta Family Trust 2	Promoter Group	11,74,780	0.57%	0.00%	11,74,780	0.57%	2.31%
Dinesh Nanik Vaswani as a Trustee of Nanik Family Trust 2	Promoter Group	11,74,778	0.57%	0.00%	11,74,778	0.57%	2.31%
J.T.Advani Advisory Private Limited	Promoter Group	1,04,344	0.05%	0.00%	1,04,344	0.05%	0%
Iman Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Rana Rajiv Lulla	Promoter Group	39,250	0.02%	0.00%	39,250	0.02%	0%
Ashwin Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	0%
Nandeeta Vaswani	Promoter Group	12,000	0.01%	0.00%	12,000	0.01%	0%
Sunhil Sippy	Promoter Group	39,188	0.02%	100.00%	-	-	-
Celina Mendoza	Promoter Group	30,000	0.01%	100.00%	-	-	-

** Anita Ashok Advani passed away on November 13, 2024.*

18. OTHER EQUITY

₹ Crores

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
I	**Security Premium**	1,171.11	1,171.11
	Balance at the beginning of the year	**1,171.11**	**1171.11**
	Add: Issue of bonus equity shares	-	-
	Add: Premium on allotment of equity shares	-	-
	Less: Expenses on allotment of equity shares	-	-
	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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

18. OTHER EQUITY (Contd..)

₹ Crores

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
V	**Share based payments reserve**		
	Balance at the beginning of the year	3.70	-
	Add: Share based payment expenses	7.48	3.70
	Balance at the end of the year	11.18	3.70
	Retained Earnings		
	Balance at the beginning of the year	1,309.68	970.27
VI	Add: Profit for the year	385.10	484.90
	Less: Other comprehensive income / (loss) for the year (net of tax)	(1.81)	(1.57)
	[Re-measurement gains/(losses) on defined benefit plans]		
	Less: Dividend	(185.05)	(143.92)
	Add: Impact of ESOP Trust consolidation	0.03	-
	Balance at the end of the year	**1,507.95**	**1,309.68**
	Total	**3,019.23**	**2,813.48**

I **Securities premium reserve** – 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 **Capital redemption reserve** - Capital redemption reserve was created in an earlier year for buy-back of shares.

III **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.

IV **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.

V **Share based payment reserve-** 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

19. DIVIDEND DISTRIBUTION MADE AND PROPOSED

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Dividend declared and paid during the year:		
Final dividend for the year ended March 31, 2025 : ₹ 9 per Equity share (March 31, 2024 : ₹ 7 per Equity share)	185.05	143.92
Total Dividend Declared and Paid	**185.05**	**143.92**
Proposed Dividend on equity shares:		
Final dividend recommended by the board of directors for the year ended March 31, 2026 : ₹ 8.50 per equity share (March 31, 2025 : ₹ 9 per equity share) subject to approval at the ensuing annual general meeting	174.77	185.05

20. BORROWINGS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Current borrowings		
Secured		
Working Capital Demand Loan from banks (note a,b,c & d)	80.00	-
Unsecured		
Working Capital Demand Loan from banks (note a,b,c & d)	240.00	45.00
Commercial papers from bank (note e)	297.11	98.90
Inter corporate deposit received from a subsidiary (refer note "f" & related party - refer note no. 39)	120.00	125.00
Short term loans from banks (note c)	-	50.00
Total current borrowings	**737.11**	**318.90**
Aggregate secured loans	80.00	-
Aggregate unsecured loans	657.11	318.90
Total borrowings	**737.11**	**318.90**

Note:

a. Working capital loan repayable on demand from banks amounting to ₹ 80 crores as at March 31, 2026 is secured by hypothecation of inventories and trade receivables of the Company as a whole and also to the extent of individual bank limit as mentioned in joint consortium documents.

b. The carrying amount of assets hypothecated as security for current borrowing limits are:

₹ Crores

Particulars	As at March 31, 2026
Trade receivables	1,949.91
Inventories	1,852.85

c. Outstanding loans carry an interest rate ranging from 6.40% - 7.55% p.a. (March 31, 2025 : 7.44% - 7.46% p.a.).

d. The Company has been sanctioned working capital limits in excess of ₹ 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.

e. Outstanding Commercial papers carry interest rate ranging from 7.18% - 7.35% p.a. (March 31, 2025 : 7.45 % p.a.) for the current year. This is repayable within range of 90 days from the date of drawdown.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

20. BORROWINGS (Contd..)

f. Oustanding Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 6.41%-7.19% p.a (March 31, 2025 : 7.22%-7.33% p.a.) linked to 3 Months T bill + (0.95%-1.80%) 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.

g. The company has utilised the funds borrowed from banks for the purpose it was taken.

h. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

i. The Company have not been declared as wilful defaulter by any bank, financial institutions or other lender.

j. 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.

21. TRADE PAYABLES

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro and small enterprises	255.84	229.41
Total outstanding dues of creditors other than micro and small enterprises	2,471.26	2,927.48
Total trade payables	**2,727.10**	**3,156.89**

DISCLOSURE AS PER SECTION 22 OF MSME ACT

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	240.12	219.47
(ii) Interest due on above	5.78	4.08
(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*	15.72	9.94
(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.	15.72	9.94
	255.84	**229.41**

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.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

21. TRADE PAYABLES (Contd..)

Ageing of payables

₹ Crores

Particulars	As at March 31, 2026					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Acceptances	391.09	-	-	-	-	391.09
Undisputed						
Dues to micro and small enterprises	211.70	38.26	3.83	1.16	0.89	255.84
Dues of creditors other than micro and small enterprises	1,820.94	239.49	6.03	6.57	7.07	2,080.10
	2,423.73	**277.75**	**9.86**	**7.73**	**7.96**	**2,727.03**
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	-	0.07	0.07
	-	**-**	**-**	**-**	**0.07**	**0.07**
Total payables	**2,423.73**	**277.75**	**9.86**	**7.73**	**8.03**	**2,727.10**

₹ Crores

Particulars	As at March 31, 2025					
	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**
Disputed						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues of creditors other than micro and small enterprises	-	-	-	0.08	0.34	0.42
	-	**-**	**-**	**0.08**	**0.34**	**0.42**
Total payables	**2,768.06**	**358.43**	**12.85**	**6.88**	**10.67**	**3,156.89**

SUPPLIER FINANCE ARRANGEMENTS

1 Nature of supplier finance arrangements

The Company has arrangements with certain banks and Trade Receivables Discounting System (TReDS) platform to facilitate early payment of invoices to eligible suppliers through bill discounting or similar mechanisms ("supplier finance arrangements").

Under these arrangements, participating banks and TReDS platform make payments to suppliers for invoices accepted by the Company. The Company settles the corresponding amount with the banks and TReDS platform in accordance with the original contractual payment terms agreed with the supplier. The Company does not provide any collateral, security or financial guarantees in respect of these arrangements, other than confirmation of the underlying trade payable. Participation by suppliers is voluntary.

These arrangements do not result in any change to the underlying commercial terms, including pricing or credit period, agreed between the Company and its suppliers.

2 Key terms

The credit period under such arrangements is the same as the original credit period agreed with the vendor.

The Company does not incur any interest cost, discount charges or other fees under these arrangements. Any financing cost is borne by the participating suppliers.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

21. TRADE PAYABLE (Contd..)

3 Accounting policy and classification

Trade payables covered under supplier finance arrangements continue to be recognised as trade payables and classified as current financial liabilities.

These balances are not classified as borrowings, as the obligation arises from the normal course of business, there is no substantive modification of the liability, and the payment terms are not extended. Trade payables are measured at amortised cost.

4 Carrying amounts

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables under supplier finance arrangements	391.09	501.05
Other trade payables	2,336.01	2,655.84
Total trade payables	**2,727.10**	**3,156.89**

5 Maturity profile

₹ Crores

Maturity bucket	As at March 31, 2026	As at March 31, 2025
Up to 3 months	355.81	440.42
3 to 6 months	35.28	60.63
6 to 12 months	-	-
Total trade payables under supplier finance arrangements	**391.09**	**501.05**

The maturity analysis is based on contractual payment dates.

22. LEASE LIABILITIES

₹ Crores

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities	126.34	137.22	54.99	44.24
Total lease liabilities	**126.34**	**137.22**	**54.99**	**44.24**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

22. LEASE LIABILITIES (Contd..)

₹ Crores

Movement in lease liabilities	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**181.46**	**76.49**
Addition during the year	34.42	123.34
Add: Interest for the year	17.70	11.60
Less : Paid during the year	(52.25)	(29.97)
Balance as at the end of the year	**181.33**	**181.46**

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

₹ Crores

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Lease liabilities		
Before 3 months	15.75	14.65
3 -6 months	15.02	14.65
6-12 months	29.46	29.29
1-3 years	98.33	99.44
3-5 years	58.45	66.66
Above 5 years	8.92	18.70
Total undiscounted lease liabilities	**225.93**	**243.39**

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

₹ Crores

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Amounts recognised in the statement of profit and loss		
Depreciation expenses	42.03	24.53
Interest on lease liabilities	16.09	11.60
Expense relating to short term lease	0.29	2.17
Expense relating to lease of low value assets	5.53	5.96
Variable lease payments	88.59	76.03
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(52.25)	(29.97)

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

Variable lease payments

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

22. LEASE LIABILITIES (Contd..)

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

₹ Crores

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
Derivatives not designated as hedges		
Foreign exchange forward contracts (refer note below)	-	2.54
Financial liabilities at amortized cost		
Other deposits	12.12	10.96
Unpaid Dividend (refer note "a" and note 15)	3.91	3.62
Payable for capital goods	37.88	31.31
Total other financial liabilities	**53.91**	**48.43**

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
2017-18 (Final)	-	0.61
2018-19 (Final)	0.48	0.51
2019-20 (Interim)	0.45	0.49
2020-21 (Final)	0.15	0.17
2021-22 (Final)	0.37	0.41
2022-23 (Final)	0.42	0.46
2023-24 (Final)	0.88	0.97
2024-25 (Final)	1.16	-
Total	**3.91**	**3.62**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

24A. OTHER CURRENT LIABILITIES

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Advances from customers	522.55	577.75
Dues to statutory bodies	93.46	107.55
Others (Provident fund, ESIC & Pension fund, customer credit balance)	49.95	35.74
Total other current liabilities	**665.96**	**721.04**

24B CONTRACT LIABILITIES

₹ Crores

Particulars	Non current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Contract liabilities from construction contracts	-	-	196.71	163.76
Contract liabilities from annual maintenance contract services	1.08	0.01	92.26	86.04
Total Contract liabilities	**1.08**	**0.01**	**288.97**	**249.79**

25. PROVISIONS

₹ Crores

Particulars	Non current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits				
Provision for gratuity (refer note 37)	22.36	1.87	-	-
Compensated absences	-	-	24.54	20.85
Additional gratuity (refer note 37)	0.47	0.46	0.10	0.10
	22.83	**2.33**	**24.64**	**20.95**
Other provisions				
Provision for customer warranties	27.88	22.68	59.50	46.59
Provision for foreseeable loss	-	-	13.07	1.05
Provision for obligation towards guarantee given (refer note 9a)	-	-	1.09	1.09
Other provisions*	-	-	9.96	9.96
	27.88	**22.68**	**83.62**	**58.69**
Total provisions	**50.71**	**25.01**	**108.26**	**79.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

25. PROVISIONS (Contd..)

Provision for customer warranties

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**69.26**	**31.76**
Add:- Additional provisions made during the year	63.31	70.81
Less:- Amount used during the year	(42.47)	(31.58)
Add/(less):- Effect of change in provision on account of discounting during the year	(2.72)	(1.73)
Balance as at the end of the year	**87.38**	**69.26**
Current portion	59.50	46.59
Non-current portion	27.88	22.68

The provision for service warranties primarily relates to products sold by the Company that are covered under standard or extended warranty obligations. This provision is estimated based on historical consumption data required to meet these warranty commitments. The amounts above pertain to standard manufacturing warranties, which are generally expected to be settled within a period of 0 to 10 years from the date of sale, depending on the type of component provided by the Company.

Other Provisions for the year ended March 31, 2026

(₹ Crores)

Particulars	Provision for forseeable loss	Provision for obligation towards guarantee given	Other Provisions
Balance as at the beginning of the year	**1.05**	**1.09**	**9.96**
Add:- Additional provisions made during the year	21.23	-	-
Less : Utilized/reversed during the year	(9.21)	-	-
Balance as at the end of the year	**13.07**	**1.09**	**9.96**

Other Provisions for the year ended March 31, 2025

(₹ Crores)

Particulars	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**

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 at the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

26. GOVERNMENT GRANTS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**18.42**	**8.83**
Add: Additions during the year	-	12.30
Less: Amortised during the year	(6.47)	(2.71)
Balance as at the end of the year	**11.95**	**18.42**
Current	1.33	1.52
Non-Current	10.62	16.90

Government grants are towards the purchase of certain items of property, plant and equipment and eligible operating expenses.

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, 2026 and March 31, 2025:

(a) Current tax asset

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	**72.66**	**76.12**
Less: Current tax payable for the year	(121.37)	(163.91)
Add: Taxes paid	137.51	160.45
Closing Balance	**88.80**	**72.66**

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

(b) Deferred tax assets

The breakup of Deferred tax asset is as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Asset - [A]		
Provision for loss allowance	28.92	33.07
Provisions made disallowed and allowed only on payment basis	31.91	24.28
Lease Liabilities	45.64	45.67
Security Deposit on ROU	1.32	1.03
Others (ICDS adjustments, etc.)	4.10	3.05
Deferred Tax Liability - [B]		
Differences between book and tax depreciation	(90.35)	(69.25)
ROU Assets	(40.03)	(42.26)
Others (unrealised gain on investments)	(1.31)	-
Deferred Tax Asset / (Deferred tax liabilities) (Net) - [A-B]	**(19.80)**	**(4.41)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

27. INCOME TAX (Contd..)

Movement in Deferred Tax Assets

₹ Crores

Particulars	Charge/ (Credit) to Statement of P&L	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred Tax Asset -		
Provision for loss allowance	4.15	(4.19)
Provisions made disallowed and allowed only on payment basis	(7.63)	(6.73)
Lease Liabilities	0.03	(26.42)
Security Deposit on ROU	(0.29)	(1.29)
Others (ICDS adjustments)	(1.05)	-
Deferred Tax Liability -		
Differences between book and tax depreciation	21.10	12.94
ROU Assets	(2.23)	25.37
Others	1.30	0.91
Total	**15.38**	**0.59**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2026 and 31 March 2025:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income tax	**522.46**	**649.93**
Income tax at India's statutory income tax rate of 25.168% (31 March 2025: 25.168%)	131.49	163.57
Expenses not allowed for tax purpose	6.04	3.87
Additional allowances for tax purpose	(0.61)	(0.84)
Tax savings on account of long term capital gains tax paid at lower rate	-	-
Others	0.44	(1.58)
Income tax at effective tax rate	**137.36**	**165.02**

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Current tax		
Current tax on profit for the year	121.98	164.44
Adjustments for current tax of prior periods	-	-
Total current tax expense	**121.98**	**164.44**
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	20.17	39.22
Decrease/(Increase) in deferred tax assets	(4.79)	(38.63)
Total deferred tax expense/(benefit)	**15.38**	**0.59**
Income tax expense	**137.36**	**165.03**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

27. INCOME TAX (Contd..)

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	(0.61)	(0.53)
Total current tax expense	**(0.61)**	**(0.53)**
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	**(0.61)**	**(0.53)**

28. REVENUE FROM OPERATIONS

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	7,628.24	7,489.00
Revenue from construction contracts	3,212.39	2,977.22
Sale of services	815.12	763.11
Other operating revenue		
- Provisions and liabilities no longer required	35.17	26.50
- Shared service recovery	17.70	13.97
- Scrap sales	35.35	33.47
- Others (includes export benefits, duty drawbacks etc)	35.26	22.48
Total revenue from operations	**11,779.23**	**11,325.75**

29. OTHER INCOME

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
Financial instruments measured at amortised cost:		
- Bank deposits	2.77	3.98
- Others	9.22	8.95
Other non-operating income		
Rental Income	0.55	0.52
Gain on fair value of investments measured at FVTPL	2.54	1.16
Gain on sale of investments measured at FVTPL	18.05	28.56
Amortisation of government grant	6.47	2.71
Others (income from bill discounting, interest on refund of direct tax, etc)	15.34	15.70
Total other income	**54.94**	**61.58**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of material consumed	3,663.05	3,557.55
Project cost (including bought outs)	2,912.88	2,594.16
AMC subcontracting and other service cost	480.42	441.89
Total cost of material consumed (including direct project and service cost)	**7,056.35**	**6,593.60**
Purchase of stock-in-trade	**2,420.44**	**2,517.77**
Inventories at the end of the year		
Stock-in-trade	498.21	458.51
Work-in-progress	113.59	109.99
Finished goods	447.15	373.64
	1,058.95	**942.14**
Inventories at the beginning of the year		
Stock-in-trade	458.51	275.43
Work-in-progress	109.99	93.08
Finished goods	373.64	295.03
	942.14	**663.54**
Total change in inventories of finished goods, work-in-progress and stock-in-trade	**(116.81)**	**(278.60)**

31. EMPLOYEE BENEFITS EXPENSES

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	678.68	665.07
Contribution to provident and other funds	23.60	20.99
Gratuity expense (refer note 37)	8.50	5.94
Staff welfare expenses	54.16	52.32
Share based payment to employees (refer note 51)	6.90	3.36
Total employee benefits expense	**771.84**	**747.69**

32. FINANCE COST

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest on other borrowings	47.78	27.55
(b) Interest on lease liabilities **	16.08	11.60
(c) Other interest expenses	6.49	5.60
- Bank charges	5.50	6.14
Total finance costs	**75.85**	**50.89**

*** Interest on lease liabilities for March 31, 2026 ₹ 1.62 Crores (March 31, 2025 Nil) is net off capitalisation towards research and development expenditure.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

33. DEPRECIATION AND AMORTISATION EXPENSES

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Property, plant and equipment (refer note 4) #	70.99	48.35
Depreciation on right of use assets (refer note 7)	42.03	24.53
Amortisation expenses on intangible assets (refer note 8A)	29.13	23.54
Depreciation on investment property (refer note 6)	*	*
Total depreciation and amortisation expense	**142.15**	**96.42**

 # Depreciation capitalised towards research and development expenditure for property, plant and equipment for year ended March 31, 2026 is ₹ 4.80 crore (March 31, 2025 ₹ 6.44 crore) and right of-use assets for year ended March 31, 2026 is ₹ 3.16 crore (March 31, 2025 ₹ 3.52 crore).

** Indicates amount less than ₹ 1 Lakh.*

34. OTHER EXPENSES

₹ Crores

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Stores and spares consumed		31.93	33.73
Power and fuel		29.34	21.33
Rent		94.41	84.16
Repairs and maintenance			
- Buildings		11.27	10.33
- Plant and machinery		13.90	15.13
- Others		56.25	43.34
Insurance		12.58	9.94
Rates and taxes		2.16	3.66
Advertising expenses		30.68	76.64
Sales and promotion expenses		85.12	95.42
Freight and forwarding charges		144.65	160.42
Legal and professional fees		97.33	109.58
Travelling and conveyance		69.07	70.18
Commission and sales incentives		47.31	61.00
Warranty cost		80.21	75.61
Printing and stationery		3.87	4.02
Payment to auditors (refer details A below)		1.88	2.27
Corporate social responsibility expenses (refer details B below)		10.57	7.04
Donations		-	0.40
Loss on sale / discard of property, plant and equipment		1.94	3.92
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)		2.23	9.13
Bad debts / advances written off	24.52		
Less:- Allowance for doubtful debts	(23.45)	1.07	2.04
Allowances for doubtful debts and advances		5.87	37.04
E-waste expenses		42.57	25.76
Miscellaneous expenses		48.49	47.54
Total other expenses		**924.70**	**1,009.63**

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 the Standalone Financial Statements

for the year ended March 31, 2026

34. OTHER EXPENSES (Contd..)

A. Payment to auditors

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
Audit fee	1.14	1.06
Limited review	0.39	0.31
Tax Audit	0.10	0.10
In other capacity	-	
Other services	0.11	0.69
Reimbursement of expenses	0.14	0.11
	1.88	**2.27**

B. Corporate social responsibility expenses

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Gross amount required to be spent by the Company during the year	10.31	7.04
(ii) Amount spent during the year	10.57	7.39
(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 39)	2.42	1.55
(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 NIL during FY 2025-26 (FY 2024-25 :₹ 0.10 Crore).

35. EXCEPTIONAL ITEMS

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Past service cost on gratuity and leave encashment (refer note below)	(35.91)	-
Premium on transfer of immovable property (refer note below)	(1.28)	-
Exceptional Items	**(37.19)**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

35. EXCEPTIONAL ITEMS (Contd..)

Note :

The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21 November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. Based on a reassessment by management of the revised compensation structure and the consequent changes in actuarial assumptions, the said liability has now been determined at ₹35.91 crores. The Company continues to monitor the finalisation of the Central and State rules and clarifications issued by the Government under the new Labour Codes and will recognise the impact of any further changes in estimates in the relevant period, as and when required.

Exceptional items also include a one-time, non-recurring expense of ₹1.28 crores for the year ended March 31, 2026.

36. EARNING PER SHARE (EPS)

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit attributable to equity holders of the Company (₹ in Crores)	**385.10**	**484.90**
Weighted average number of Equity shares outstanding	20,55,95,152	20,56,14,788
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	18.73	23.58

37. EMPLOYEE BENEFITS DISCLOSURE

Defined Benefit Plans

a. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company contributes all ascertained liabilities to the Gratuity Fund Trust (the Trust).

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognised as net profit in the profit or loss. The Company expects to contribute ₹ 31.09 crore to gratuity fund in FY 2026-27 (FY 2025-26: ₹ 6.28 crore).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Change in present value of defined benefit obligation

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at the beginning of the year	66.07	53.62	0.56	0.51
Current service cost	7.64	5.73	0.02	0.02
Past service cost	33.82	-	-	-
Interest cost	4.89	3.73	0.04	0.04
Benefits paid	(6.35)	(3.51)	(0.02)	(0.02)
Acquisition adjustment	-	-	-	-
Remeasurements				
a. Due to change in demographic assumptions	-	-	-	-
b. Due to change in financial assumptions	(1.81)	2.07	(0.01)	0.02
c. Due to experience adjustments	0.72	4.43	(0.04)	(0.01)
Defined benefit obligation at the end of the year	**104.98**	**66.07**	**0.55**	**0.56**

Change in fair value of plan assets

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	64.20	50.14	-	-
Expected return on plan assets	4.09	3.58	-	-
Contribution	25.00	9.58	-	-
Benefits paid	(6.35)	(3.51)	-	-
(Return) on plan assets (excl. interest income)	(3.56)	4.41	-	-
Other Adjustment	(0.77)	-	-	-
Fair value of plan assets at the end of the year	**82.61**	**64.20**	**-**	**-**

Components of defined benefit cost recognised in Statement of Profit and Loss

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	7.64	5.73	0.02	0.02
Past service cost	33.82	-	-	-
Interest cost	4.89	3.73	0.04	0.04
Investment income on plan assets	(4.09)	(3.58)	-	-
Defined benefit cost recognized in profit or loss	**42.26**	**5.88**	**0.06**	**0.06**
Components of defined benefit cost recognised in Other Comprehensive Income				
a. Due to change in demographic assumptions	-	-	-	-
b. Due to change in financial assumptions	(1.81)	2.07	(0.01)	0.02
c. Due to change in experience adjustments	0.72	4.43	(0.04)	(0.01)
d. (Return) on plan assets (excl. interest income)	3.56	(4.41)	-	-
Remeasurements recognized in other comprehensive income (OCI)	**2.47**	**2.09**	**(0.05)**	**0.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Net liability / (assets) recognised in the balance sheet

₹ Crores

Particulars	Gratuity (Funded)		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation	104.98	66.07	0.55	0.56
Fair value of plan assets	82.61	64.20	-	-
Net liability / (assets)	**22.37**	**1.87**	**0.55**	**0.56**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	0.02	0.10
Insurance company products (Funds Managed by the Insurer)	81.44	62.96
Others	1.15	1.14
Total	**82.61**	**64.20**

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	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Discount rate	6.95%	6.50%	6.95%	6.50%
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 (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 availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (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 liabilty.

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 benefits paid in accordance with the requirements of Chapter V (Gratuity of the Code on Social Security,2020 (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 liabilty 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.

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

Assumptions	Gratuity		Additional Gratuity	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Decrease in discount Rate (-/+ 0.5%)	106.21	66.32	0.56	0.57
Increase in discount Rate (-/+ 0.5%)	101.03	63.04	0.53	0.54
Decrease in salary Growth Rate (-/+ 0.5%)	101.51	63.03	-	-
Increase in salary Growth Rate (-/+ 0.5%)	105.66	66.31	-	-
Decrease in attrition Rate (-/+ 1%)	103.31	64.77	0.54	0.53
Increase in attrition Rate (-/+ 1%)	103.77	64.52	0.55	0.56
Decrease in Mortality Rate (-/+ 10%)	103.54	64.64	0.55	0.55
Increase in Mortality Rate (-/+ 10%)	103.58	64.64	0.55	0.56

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 2025-26.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2025-26 is 5 years.

Maturity profile of defined benefit obligation

Expected cash flows (valued on undiscounted basis)	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity (Funded)	Additional Gratuity	Gratuity (Funded)	Additional Gratuity
1 year	19.85	0.10	13.50	0.10
2 to 5 years	57.48	0.30	33.33	0.30
6 to 10 years	43.23	0.23	25.92	0.23
More than 10 years	35.29	0.21	22.23	0.19
Total	**155.85**	**0.84**	**94.98**	**0.82**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

General Description of significant defined plans:

a. Gratuity Plan

Gratuity is payable to all eligible employees on separation/retirement based on Company's internal policies and applicable law.

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.

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, the Company has recognised a net defined benefit liability arising from the interest rate guarantee obligation under the Exempt Provident Fund as on March 31, 2026.The Company's contribution to the Employee's Provident fund aggregates to ₹ 14.94 crores (March 31, 2025 : ₹ 12.92 crores).

The details of the Blue Star Office Provident Fund and plan assets position are given below :

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of benefit obligation at period end	361.45	316.54
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	354.67	314.53

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	-	0.63
Insurance company products	-	-
Others	354.67	313.90
Total plan assets	**354.67**	**314.53**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

37. EMPLOYEE BENEFITS DISCLOSURE (Contd..)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Discounting Rate	6.95	6.5
Guaranteed interest rate*	8.25	8.25
Average Historic Yield on the Investment (per annum)	7.23	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

₹ Crores

Particulars	As at March 31, 2026		As at March 31, 2025	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.5%)	361.58	361.33	317.45	317.23
Interest rate guarantee (-/+ 0.5%)	357.90	365.17	314.22	320.82

** Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2024-25 and the same is used for valuation purpose.*

The Trust had provisionally declared interest rate of 8.25 % for FY 2025-26.

38. COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the company not acknowledged as debts	1.40	0.90
Sales Tax matters	6.93	10.30
Excise Duty matters	0.33	4.31
Service Tax matters	4.16	27.65
Income Tax matters	139.58	133.01
GST matters	23.34	22.34

b. Commitments

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Company had commitments (net of advances)	162.31	116.77

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

38. COMMITMENTS AND CONTINGENCIES (Contd..)

c. Financial Guarantees provided

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Corporate Guarantee given on behalf of subsidiaries (to the extent utilised)	0.22	0.92

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, 2026 is ₹ 16.49 crores (March 31, 2025 : ₹ 8.06 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	**Subsidiaries**
	Blue Star Engineering and Electronics Limited
	Blue Star Climatech Limited
	Blue Star Qatar- WLL*
	Blue Star MEA Airconditioning LLC
	BSL AC&R (SINGAPORE) PTE. Limited
	Blue Star International FZCO
	Blue Star North America INC
	Blue Star Innovation Japan LLC
	Blue Star Europe B.V.
	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. Rajiv Lulla (Non-executive director)
	Mr. Dinesh Vaswani (Non-executive director)
	Mr. Sam Balsara (Independent director) (Upto January 31, 2026)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. DISCLOSURE FOR RELATED PARTY (Contd..)

	Mr. Anil Harish (Independent director)
	Mr. Arvind K Singhal (Independent director)
	Ms. Sunaina Murthy (Non-executive director)
	Ms. Anita Ramachandran (Independent director)
	Mr. Murlidhar Gangadharan (Independent director)
	Mr. Vipin Sondhi (Independent director)
	Mr. P Venkat Rao (Executive Director) (Upto February 28, 2026)
	Mr. M S Unnikrishnan (Independent Director) (W.e.f. January 29, 2026)
4	**Close member of key management personnel**
	Mr. Suneel M. Advani (Father of Vir S. Advani)
5	**Enterprises in which a Director is/was a member/director/trustee during the year or relatives of directors with whom company had transactions and/or balances**
	M/s SMA Associates
	National Skill Development Corporation
	Trichur Sundaram Santhanam & Family Private Limited
	Madison Specialist Communications LLP (Upto January 31, 2026)
	Madison Communications Private Limited (Upto January 31, 2026)
	MOMS Outdoor Media Solutions Private Limited (Upto January 31, 2026)
	Platinum Communications Private Limited (Upto January 31, 2026)
	Out-Sel Promotions India Private Limited (Upto January 31, 2026)
	Solvexus Private Limited (Formerly known as "Cerebrus Consultants Private Limited")
	TVS Mobility Private Limited
	Swift Audio Video Entertainments Private Limited
	Mrs Lara Balsara Vajifdar (Upto January 31, 2026)
	Mrs Suneeta Vaswani
	Mr. Ramesh Lulla
6	**Post-employee benefit entities/ Employee Welfare Trust/ Other Trust**
	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 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.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24:

B. Transactions for the year ended March 31, 2026 and March 31, 2025 with Related Parties are as under:

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Sale of goods / rendering of services								
Blue Star Qatar WLL	0.34	0.64	-	-	-	-	0.34	0.64
Blue Star Engineering and Electronics Limited	0.06	0.12	-	-	-	-	0.06	0.12
Blue Star International FZCO	123.54	111.25	-	-	-	-	123.54	111.25
Blue Star MEA Airconditioning LLC	46.10	74.04	-	-	-	-	46.10	74.04
Blue Star Climatech Limited	0.08	0.60	-	-	-	-	0.08	0.60
Blue Star North America INC	557.16	293.36	-	-	-	-	557.16	293.36
Blue Star Europe B.V.	44.34	6.56	-	-	-	-	44.34	6.56
Blue Star Innovation Japan LLC	0.10	0.39	-	-	-	-	0.10	0.39
Madison Communications Private Limited	-	-	-	-	0.11	0.26	0.11	0.26
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	*	0.02	*	0.02
Platinum Communications Private Limited	-	-	-	-	0.02	*	0.02	*
TVS Mobility Private Limited	-	-	-	-	0.06	0.73	0.06	0.73
Mrs Lara Balsara Vajifdar	-	-	-	-	0.02	-	0.02	-
Madison Specialist Communications LLP	-	-	-	-	0.01	0.01	0.01	0.01
Out-Sel Promotions India Private Limited	-	-	-	-	0.01	0.01	0.01	0.01
Swift Audio Video Entertainments Private Limited	-	-	-	-	-	0.01	-	0.01
National Skill Development Corporation	-	-	-	-	0.03	0.02	0.03	0.02
Trichur Sundaram Santhanam & Family Private Limited	-	-	-	-	0.01	-	0.01	-
Mr P Venkat Rao	-	-	-	-	*	-	*	-
Mr Ramesh Lulla	-	-	-	-	*	-	*	-
Mr Nikhil Sohoni	-	-	-	-	*	-	*	-
Total	**771.72**	**486.96**	**-**	**-**	**0.27**	**1.06**	**771.99**	**488.02**
Quality claims against sales made								
Blue Star International FZCO	2.28	-	-	-	-	-	2.28	-
Total	**2.28**	**-**	**-**	**-**	**-**	**-**	**2.28**	**-**
Purchase of goods / receipt of services								
Blue Star Engineering and Electronics Limited	0.10	0.30	-	-	-	-	0.10	0.30
Blue Star Climatech Limited	1,444.64	1,425.01	-	-	-	-	1,444.64	1,425.01
Blue Star Innovation Japan LLC	9.15	8.50	-	-	-	-	9.15	8.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Moms Outdoor Media Solutions Private Limited	-	-	-	-	0.28	4.07	0.28	4.07
Madison Communications Private Limited	-	-	-	-	21.39	45.13	21.39	45.13
Solvexus Private Limited	-	-	-	-	0.02	0.04	0.02	0.04
Total	**1,453.89**	**1,433.81**	**-**	**-**	**21.69**	**49.24**	**1,475.58**	**1,483.05**
Reimbursement of expenses incurred on our behalf by								
Blue Star Qatar WLL	0.01	-	-	-	-	-	0.01	-
Blue Star Engineering and Electronics Limited	-	0.83	-	-	-	-	-	0.83
Blue Star Climatech Limited	1.21	1.38	-	-	-	-	1.21	1.38
Blue Star North America INC	-	-	-	-	-	-	-	-
Blue Star International FZCO	0.33	-	-	-	-	-	0.33	-
Blue Star MEA Airconditioning LLC	0.03	-	-	-	-	-	0.03	-
Total	**1.58**	**2.21**	**-**	**-**	**-**	**-**	**1.58**	**2.21**
Shared service recovery								
Blue Star Climatech Limited	3.34	3.33	-	-	-	-	3.34	3.33
Blue Star Engineering and Electronics Limited	6.40	5.70	-	-	-	-	6.40	5.70
Blue Star North America INC	2.13	1.73	-	-	-	-	2.13	1.73
Blue Star Europe B.V.	2.13	1.73	-	-	-	-	2.13	1.73
Blue Star Innovation Japan LLC	1.25	0.96	-	-	-	-	1.25	0.96
Blue Star International FZCO	1.22	-	-	-	-	-	1.22	-
Blue Star MEA Airconditioning LLC	1.22	-	-	-	-	-	1.22	-
Total	**17.69**	**13.45**	**-**	**-**	**-**	**-**	**17.69**	**13.45**
Payment of lease rental								
Blue Star Engineering and Electronics Limited	3.73	3.57	-	-	-	-	3.73	3.57
Total	**3.73**	**3.57**	**-**	**-**	**-**	**-**	**3.73**	**3.57**
Finance cost								
Blue Star Engineering and Electronics Limited	8.81	5.79	-	-	-	-	8.81	5.79
Total	**8.81**	**5.79**	**-**	**-**	**-**	**-**	**8.81**	**5.79**
ESOP granted to employees								
Blue Star Engineering and Electronics Limited	0.53	0.21	-	-	-	-	0.53	0.21
Blue Star Climatech Limited	0.05	0.13	-	-	-	-	0.05	0.13
Total	**0.58**	**0.34**	**-**	**-**	**-**	**-**	**0.58**	**0.34**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Inter corporate deposit given								
Blue Star Climatech Limited	145.00	85.00	-	-	-	-	145.00	85.00
Total	**145.00**	**85.00**	**-**	**-**	**-**	**-**	**145.00**	**85.00**
Repayment of inter corporate deposit given								
Blue Star Climatech Limited	205.00	50.00	-	-	-	-	205.00	50.00
Total	**205.00**	**50.00**	**-**	**-**	**-**	**-**	**205.00**	**50.00**
Inter corporate deposit taken								
Blue Star Engineering and Electronics Limited	535.00	245.00	-	-	-	-	535.00	245.00
Total	**535.00**	**245.00**	**-**	**-**	**-**	**-**	**535.00**	**245.00**
Repayment of inter corporate deposit taken								
Blue Star Engineering and Electronics Limited	540.00	205.00	-	-	-	-	540.00	205.00
Total	**540.00**	**205.00**	**-**	**-**	**-**	**-**	**540.00**	**205.00**
Recovery of expenses								
Blue Star Climatech Limited	0.37	0.55	-	-	-	-	0.37	0.55
Blue Star Engineering & Electronics Ltd.	0.83	-	-	-	-	-	0.83	-
Blue Star Helpline Trust	-	-	-	-	0.59	-	0.59	-
Total	**1.20**	**0.55**	**-**	**-**	**0.59**	**-**	**1.79**	**0.55**
Investment / share application money given								
Blue Star Europe B.V.	4.91	10.03	-	-	-	-	4.91	10.03
Blue Star Climatech Limited	-	29.44	-	-	-	-	-	29.44
Blue Star Innovation Japan LLC	-	10.95	-	-	-	-	-	10.95
Total	**4.91**	**50.42**	**-**	**-**	**-**	**-**	**4.91**	**50.42**
Corporate guarantee commission								
Blue Star International FZCO	0.70	0.26	-	-	-	-	0.70	0.26
Blue Star North America INC	0.02	0.01	-	-	-	-	0.02	0.01
Total	**0.72**	**0.27**	**-**	**-**	**-**	**-**	**0.72**	**0.27**
Sale of property, plant & equipment								
Mr Rajiv Lulla	-	-	-	-	0.32	-	0.32	-
Ms Suneeta Vaswani	-	-	-	-	0.28	-	0.28	-
Total	**-**	**-**	**-**	**-**	**0.60**	**-**	**0.60**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Purchase of property, plant & equipment								
Blue Star Climatech Limited	0.34	0.62	-	-	-	-	0.34	0.62
Total	**0.34**	**0.62**	**-**	**-**	**-**	**-**	**0.34**	**0.62**
Gift of painting								
Mr. Suneel M Advani	-	-	-	-	0.11	-	0.11	-
Total	**-**	**-**	**-**	**-**	**0.11**	**-**	**0.11**	**-**
Transfer of employee benefit liability and other employee assets								
Blue Star Climatech Limited	-	0.01	-	-	-	-	-	0.01
Total	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**0.01**
Project revenue								
Blue Star Climatech Limited	0.89	5.15	-	-	-	-	0.89	5.15
Total	**0.89**	**5.15**	**-**	**-**	**-**	**-**	**0.89**	**5.15**
Interest income on inter corporate deposit								
Blue Star Climatech Limited	3.40	2.80	-	-	-	-	3.40	2.80
Total	**3.40**	**2.80**	**-**	**-**	**-**	**-**	**3.40**	**2.80**
CSR expenses								
Blue Star Foundation	-	-	-	-	2.42	1.55	2.42	1.55
Total	**-**	**-**	**-**	**-**	**2.42**	**1.55**	**2.42**	**1.55**
Welfare expenses								
Blue Star Foundation	-	-	-	-	0.17	-	-	-
Total	**-**	**-**	**-**	**-**	**0.17**	**-**	**-**	**-**
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	-	-	-	-	38.42	33.80	38.42	33.80
Blue Star Gratuity Trust	-	-	-	-	25.00	9.58	25.00	9.58
Blue Star Super Annuation Trust	-	-	-	-	1.92	1.74	1.92	1.74
Blue Star ESOP Trust	-	-	-	-	0.05	-	0.05	-
Total	**-**	**-**	**-**	**-**	**65.39**	**45.12**	**65.39**	**45.12**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

Compensation to key management personnel:

₹ Crores

Nature of Transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits including commission	44.80	38.68
Post-employee benefits (Provident Fund, Super Annuation Fund, National Pension Scheme)	1.62	1.65
Commission to Non-Executive and Independent Directors	3.33	1.92
Sitting fees	0.65	0.64
Share based payment	3.51	1.60
Total compensation to key management personnel	**53.91**	**44.49**

** Indicates amount less than ₹ 1 Lakh.*

Note :

a. As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

b. The transactions are exclusive of taxes wherever applicable.

c. 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 the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

C. Amount due to / from related parties as at March 31, 2026 and March 31, 2025:

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Trade payables (including capex payable)								
Blue Star Climatech Limited	199.21	210.41	-	-	-	-	**199.21**	**210.41**
Blue Star International FZCO	0.72	0.47	-	-	-	-	**0.72**	**0.47**
Blue Star MEA Airconditioning LLC	0.03	-	-	-	-		**0.03**	**-**
Blue Star Innovation Japan LLC	1.00	7.70	-	-	-	-	**1.00**	**7.70**
Blue Star Qatar WLL	0.01	-	-	-	-	-	**0.01**	**-**
Madison Communications Private Limited	-	-	-	-	0.53	15.27	**0.53**	**15.27**
MOMS Outdoor Media Solutions Private Limited	-	-	-	-	*	1.15	*****	**1.15**
SMA Associates	-	-	-	-	0.08	-	**0.08**	**-**
Total	**200.97**	**218.58**	**-**	**-**	**0.61**	**16.42**	**201.58**	**235.00**
Other payables								
Blue Star Helpline Trust	-	-	-	-	0.05	-	**0.05**	**-**
Total	**-**	**-**	**-**	**-**	**0.05**	**-**	**0.05**	**-**
Trade receivables/ Other receivable								
Blue Star Qatar WLL	0.34	0.18	-	-	-	-	**0.34**	**0.18**
Blue Star International FZCO	22.86	23.94	-	-	-	-	**22.86**	**23.94**
Blue Star MEA Airconditioning LLC	2.52	5.41	-	-	-	-	**2.52**	**5.41**
Blue Star North America INC	98.23	90.94	-	-	-	-	**98.23**	**90.94**
Blue Star Europe B.V.	15.87	8.14	-	-	-	-	**15.87**	**8.14**
Blue Star Engineering and Electronics Limited	3.70	5.11	-	-	-	-	**3.70**	**5.11**
Blue Star Innovation Japan LLC	1.26	1.03	-	-	-	-	**1.26**	**1.03**
Blue Star Climatech Limited	1.49	3.89	-	-	-	-	**1.49**	**3.89**
Moms Outdoor Media Solutions Private Limited	-	-	-	-	-	0.01	**-**	**0.01**
TVS Mobility Private Limited	-	-	-	-	0.02	0.11	**0.02**	**0.11**
Blue Star Oman Electromechanical Co. LLC# (refer note below)	-	-	4.46	4.46	-	-	**4.46**	**4.46**
Total	**146.27**	**138.64**	**4.46**	**4.46**	**0.02**	**0.12**	**150.75**	**143.22**
Advance received against sale of goods/ rendering of services								
National Skill Development Corporation	-	-	-	-	0.04	-	**0.04**	**-**
Lara Balsara Vajifdar	-	-	-	-	0.02	-	**0.02**	**-**
Total	**-**	**-**	**-**	**-**	**0.06**	**-**	**0.06**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES AS PER IND AS 24: (Contd..)

₹ Crores

Particulars	Subsidiaries		Joint Ventures		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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	120.00	125.00	-	-	-	-	**120.00**	**125.00**
Total	**120.00**	**125.00**	**-**	**-**	**-**	**-**	**120.00**	**125.00**
Inter corporate deposit receivable							**-**	
Blue Star Climatech Limited	-	60.00	-	-	-	-	**-**	**60.00**
Total	**-**	**60.00**	**-**	**-**	**-**	**-**	**-**	**60.00**

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 2025-26	Transactions (Utilised till date) FY 2024-25	Balance O/S (Gross Guarantee given) FY 2025-26	Balance O/S (Gross Guarantee given) FY 2024-25
Blue Star International FZCO	0.11	0.77	70.23	64.11
Blue Star North America INC	0.11	0.15	2.34	2.14

** Indicates amount less than ₹ 1 Lakh*

The above transactions are in the ordinary course of business and are at arm's length.

 # fully provided for Allowance for doubtful loan

Note :

1. W.J. Towell & Co. LLC ("WJT"), an entity based in Oman and one of the Company's joint venture partners in Blue Star Oman Electro Mechanical Company LLC (the "Joint Venture Company"), with whom the Company had entered into a Shareholders' Agreement dated October 1, 2015, had filed arbitration proceedings against the Company with the 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. The arbitration proceedings have since been completed and the matter is pending final award.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

40. SEGMENT INFORMATON

Asper 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.

41. 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 and options contracts. The hedging strategy is used towards managing currency fluctuation risk and the Company does not use foreign exchange forward and options contract for trading or speculative purposes.

Forward and options contract are fair valued at each reporting date. The resultant gain or loss of forward and option contract is recognized in the Profit or Loss.

a. Derivative Instruments: Forward contract outstanding as at Balance Sheet date

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in Lakhs)	₹ Crores	Amount in Foreign Currency (in Lakhs)	₹ Crores
Particulars of Derivatives				
Forward cover to Purchase :				
- USD	49.44	46.89	112.74	96.36
- CNY/RMB	461.84	63.33	495.85	58.28

b. Particulars of Un-hedged foreign currency exposure as at the Balance Sheet date

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
Bank Balances				
EUR	-	-	-	-
USD	-	-	5.75	4.92
AED	0.07	0.02	0.07	0.02
CNY/RMB	-	-	0.23	0.03
Receivables				
AED	11.66	3.01	-	-
EUR	18.54	20.21	27.55	25.37
MYR	-	-	1.05	0.20
USD	136.67	129.61	156.91	134.12
JPY	211.44	1.26	187.71	1.07
Payables				
AED	1.45	0.37	19.82	4.61
CNY/RMB	54.73	7.51	239.74	28.18
EUR	16.96	18.49	18.21	16.77
GBP	0.02	0.03	0.07	0.08

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

41. DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE (Contd..)

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in lakhs)	₹ in crores	Amount in Foreign Currency (in lakhs)	₹ in crores
QAR	0.05	0.01	0.01	-
JPY	940.80	5.59	2,205.52	12.52
OMR	-	0.01	-	0.01
USD	57.06	54.11	95.49	81.62
AUD	9.09	5.91	-	-

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.

42. FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS BY CATEGORY

₹ Crores

Particulars	As at March 31, 2026					As at March 31, 2025				
	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)	339.98	-	822.47	1,162.45	1,162.45	388.94	-	817.56	1,206.50	1,206.50
Loans (refer note 10)	-	-	27.40	27.40	27.40	-	-	83.75	83.75	83.75
Other financial assets (refer note 11)	2.34	-	122.08	124.42	124.42	-	-	56.73	56.73	56.73
Trade receivables (refer note 13)	-	-	1,949.91	1,949.91	1,949.91	-	-	1,816.99	1,816.99	1,816.99
Cash and cash equivalents (refer note 14)	-	-	292.07	292.07	292.07	-	-	299.76	299.76	299.76
Other bank balances (refer note 15)	-	-	25.05	25.05	25.05	-	-	6.34	6.34	6.34
	342.32	**-**	**3,238.98**	**3,581.30**	**3,581.30**	**388.94**	**-**	**3,081.13**	**3,470.07**	**3,470.07**
Financial liabilities										
Borrowings (refer note 20)	-	-	737.11	737.11	737.11	-	-	318.90	318.90	318.90
Trade payables (refer note 21)	-	-	2,727.10	2,727.10	2,727.10	-	-	3156.89	3156.89	3156.89
Lease liabilities (refer note 22)	-	-	181.33	181.33	181.33	-	-	181.46	181.46	181.46
Other Financial Liabilities (refer note 23)	-	-	53.91	53.91	53.91		-	48.43	48.43	48.43
	-	**-**	**3,699.45**	**3,699.45**	**3,699.45**	**-**	**-**	**3,705.68**	**3,705.68**	**3,705.68**

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 the Standalone Financial Statements

for the year ended March 31, 2026

42. FINANCIAL INSTRUMENTS

(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, 2026:

₹ Crores

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, 2026	8.28	-	-	8.28
Assets/Liabilities measured as fair value :					
Investment in mutual funds (refer note 9)	March 31, 2026	339.98	-	339.98	-
Derivatives not designated as hedges (refer note 11)					
- Foreign exchange forward contracts	March 31, 2026	2.34	-	2.34	-

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, 2025 :

₹ Crores

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	March 31, 2025	-	-	-	-

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

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

42. FINANCIAL INSTRUMENTS (Contd..)

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.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Company's principal financial liabilities comprise short-term borrowings, lease liabilities and trade and other payables. These financial liabilities are primarily incurred to finance the Company's operating activities and to manage exposure to financial risks.

The Company's principal financial assets include trade and other receivables, cash and cash equivalents, investments, loans and advances, and derivative financial instruments. These financial assets principally arise from the Company's operating activities and treasury management functions.

The Company has exposure to various financial risks arising from its business operations and financial instruments. These risks include market risk, comprising foreign currency risk, interest rate risk, and commodity price risk, as well as credit risk and liquidity risk. The Company manages these risks through an established risk management framework in accordance with its financial risk management policies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk, interest rate risk, and other price risk, including commodity price risk. Financial instruments that are exposed to market risk include borrowings, investments, trade receivables, trade payables, loans, and derivative financial instruments.

Currency risk

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

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for the year ended March 31, 2026

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (Contd..)

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, 2026				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency) (in Lakhs)	Net exposure (₹ Crores)
Foreign Currency					
USD	-	136.67	57.06	79.61	75.50
CNY/RMB	-	-	54.73	(54.73)	(7.51)
AED	0.07	11.66	1.45	10.28	2.66
EUR	-	18.54	16.96	1.58	1.72
MYR	-	-	-	-	-
JPY	-	211.44	940.80	(729.36)	(4.33)
CHF	-	-	-	-	-
QAR	-	-	0.05	(0.05)	(0.01)
GBP	-	-	0.02	(0.02)	(0.03)
OMR	-	-	-	-	-
AUD	-	-	9.09	(9.09)	(5.91)

Particulars	As at March 31, 2025				
	Cash and cash equivalent	Trade receivable	Trade payable	Net exposure (Foreign currency) (in Lakhs)	Net exposure (₹ Crores)
Foreign Currency					
USD	6.00	157.00	95.00	68.00	57.42
CNY/RMB	-	-	240.00	(240.00)	(28.15)
AED	-	-	20.00	(20.00)	(4.60)
EUR	-	28.00	18.00	9.00	8.60
MYR	-	1.00	-	1.00	0.20
JPY	-	188.00	2,206.00	(2,018.00)	(11.45)
CHF	-	-	-	-	-
QAR	-	-	-	-	-
GBP	-	-	-	-	0.08
SGD	-	-	-	-	-
OMR	-	-	-	-	0.01

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (Contd..)

₹ Crores

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity*	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
USD	+5%	3.78	2.87	2.78	2.15
	-5%	(3.78)	(2.87)	(2.78)	(2.15)
CNY/ RMB	+5%	(0.38)	(1.35)	(0.28)	(1.01)
	-5%	0.38	1.35	0.28	1.01
AED	+5%	0.13	(0.19)	0.10	(0.14)
	-5%	(0.13)	0.19	(0.10)	0.14
EUR	+5%	0.09	0.43	0.07	0.32
	-5%	(0.09)	(0.43)	(0.07)	(0.32)
MYR	+5%	-	0.01	-	0.01
	-5%	0.00	(0.01)	-	(0.01)
SGD	+5%	-	-	-	-
	-5%	0.00	0.00	-	0.00
JPY	+5%	(0.22)	(0.63)	(0.16)	(0.47)
	-5%	0.22	0.63	0.16	0.47
AUD	+5%	(0.30)	-	(0.22)	-
	-5%	0.30	-	0.22	-

Commodity price risk

The Company is subject to fluctuations in prices for the purchase of copper, alluminium, and other raw material inputs. The Company purchased primarily all of its copper and alluminium requirements at prevailing market rates during the year ended 31 March 2026.

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, 2026					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	1,540.51	206.61	-	-	1,540.51	206.61
Aluminium	1,165.24	48.33	-	-	1,165.24	48.33

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (Contd..)

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

₹ Crores

Particulars	Change in commodity rate	Effect on profit before tax		Effect on equity*	
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Commodity					
Copper	-5%	(10.33)	(3.95)	(7.61)	(2.93)
	+5%	10.33	3.95	7.61	2.93
Aluminium	-5%	(2.42)	(1.52)	(1.78)	(1.13)
	+5%	2.42	1.52	1.78	1.13

** Effect on equity is computed basis effective tax rate of the Company.*

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.

The ageing analysis of trade receivables as of the reporting date is as follows:

₹ Crores

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of March 31, 2026	975.49	935.17	111.14	2,021.80
Trade Receivables as of March 31, 2025	912.05	888.16	87.56	1,887.77

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

43. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (Contd..)

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

₹ Crores

Particulars	As of March 31, 2026		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	737.11	-	737.11
Trade Payables	2,727.10	-	2,727.10
Lease Liabilities	60.23	165.70	225.93
Other financial liabilities	53.91	-	53.91
Total	**3,578.35**	**165.70**	**3,744.05**

₹ Crores

Particulars	As of March 31, 2025		
	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**

44 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 :

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	737.11	318.90
Less: Cash and cash equivalents	(292.07)	(299.76)
Net Debt	**445.04**	**19.14**
Equity	3,060.35	2,854.60
Gearing Ratio (Net Debt / Equity) x 100	**14.54%**	**0.67%**

Note: Net Debt is excluding lease liabilities.

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for the year ended March 31, 2026

45 FINANCIAL RATIOS

Particulars	As at March 31, 2026	As at March 31, 2025	Variance	Reason
Current ratio	1.20	1.20	0.00%	
Debt-Equity ratio	0.24	0.11	118.18%	The increase in Debt-Equity ratio is primarily due to higher borrowings during the year.
Debt Service Coverage Ratio (DSCR)	12.54	23.36	(46.32%)	The decrease in Debt-Service Coverage ratio is primarily due to increase in interest expense on borrowings during the year.
Return on Equity Ratio (ROE)	13.02%	18.07%	(27.95%)	The decrease is primarily due to lower growth in net profit during the year, along with a relatively higher equity base
Inventory turnover (No. of days)	70.82	62.24	13.79%	
Trade receivables turnover (No. of days)	58.36	58.28	0.14%	
Trade payables turnover (No. of days)	104.41	103.31	1.06%	
Net capital turnover ratio (In times)	12.84	12.27	4.67%	
Net profit ratio	3.25%	4.26%	(23.71%)	
Return on Capital employed (ROCE)	16.01%	21.40%	(25.17%)	The decrease is mainly due to higher capital employed driven by increased working capital, along with relatively lower operating margins during the year.
Return on investment				
Investment in Mutual fund	6.54%	7.18%	(8.91%)	
Investment in Fixed deposit	6.35%	6.28%	1.11%	

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 exceptional item & tax + Finance charges) / Capital employed X 100

Return on investment (%) = Income from investment / Average investment for the year X 100

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 :

₹ Crores

Nature of expenses	Year	Note 30	Note 31	Note 34	Note 32	Total
Salary and Wages	As at March 31, 2026	629.33	678.68	-	-	1,308.01
	As at March 31, 2025	458.71	665.07	-	-	1,123.78
Staff welfare	As at March 31, 2026	4.42	54.16	-	-	58.58
	As at March 31, 2025	2.35	52.32	-	-	54.67
Contribution to provident and other funds	As at March 31, 2026	0.16	23.60	-	-	23.76
	As at March 31, 2025	0.10	20.99	-	-	21.09
Rent	As at March 31, 2026	2.93	-	94.41	-	97.34
	As at March 31, 2025	1.88	-	84.16	-	86.04
Repairs and maintenance	As at March 31, 2026	1.20	-	81.42	-	82.62
	As at March 31, 2025	1.23	-	68.80	-	70.03
Rates and taxes	As at March 31, 2026	8.54	-	2.16	-	10.70
	As at March 31, 2025	8.99	-	3.66	-	12.65
Power and fuel	As at March 31, 2026	8.27	-	29.34	-	37.61
	As at March 31, 2025	4.58	-	21.33	-	25.91
Insurance	As at March 31, 2026	1.02	-	12.58	-	13.60
	As at March 31, 2025	3.05	-	9.94	-	12.99
Travelling and Conveyance	As at March 31, 2026	4.63	-	69.07	-	73.70
	As at March 31, 2025	3.62	-	70.18	-	73.80
Printing and Stationery	As at March 31, 2026	1.59	-	3.87	-	5.46
	As at March 31, 2025	1.25	-	4.02	-	5.27
Freight and Forwarding Charges	As at March 31, 2026	1.43	-	144.65	-	146.08
	As at March 31, 2025	2.73	-	160.42	-	163.15
Legal and Professional fees	As at March 31, 2026	46.87	-	97.30	-	144.17
	As at March 31, 2025	40.92	-	109.58	-	150.50
Foreign exchange differences	As at March 31, 2026	(0.19)	-	2.23	-	2.04
	As at March 31, 2025	(0.13)	-	9.13	-	9.00
Commission and sales incentives	As at March 31, 2026	-	-	47.31	-	47.31
	As at March 31, 2025	0.02	-	61.00	-	61.02
Warranty Cost	As at March 31, 2026	0.32	-	80.21	-	80.53
	As at March 31, 2025	0.09	-	75.61	-	75.70
Miscellaneous expenses	As at March 31, 2026	6.01	-	48.49	-	54.50
	As at March 31, 2025	2.82	-	47.54	-	50.36
Bank charges	As at March 31, 2026	15.69	-	-	5.49	21.18
	As at March 31, 2025	6.30	-	-	6.14	12.44
Stores and spares	As at March 31, 2026	0.94	-	31.93	-	32.87
	As at March 31, 2025	-	-	33.73	-	33.73
Sales and promotion expenses	As at March 31, 2026	(0.08)	-	85.12	-	85.05
	As at March 31, 2025	-	-	95.42	-	95.42

** Staff welfare expenses include employee related insurance expenses.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

47 (a) DETAILS OF REVENUE EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense	18.40	10.97
Cost of raw material and components consumed	6.14	7.20
Legal & professional fees	8.05	14.02
Depreciation	18.19	11.14
Others	16.16	16.40
Total revenue expenditure directly related to research and development	**66.94**	**59.73**

(b) DETAILS OF CAPITAL EXPENDITURE DIRECTLY RELATED TO RESEARCH AND DEVELOPMENT

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Property, plant & equipment		
Buildings	1.97	1.47
Plant & equipment	19.83	15.34
Furniture & fixtures	0.08	0.58
Office equipments	0.49	0.63
Vehicles	1.74	3.70
Computers	0.38	0.31
Intangible Assets		
Technical knowhow	45.12	15.36
Software	2.05	0.75
Total capital expendutre directly related to research and development	**71.66**	**38.14**

Note :

The above expenses is net off ₹ 36.09 crore (March 31, 2025: ₹ 32.82 crore) grant received from Mr. Ashok M. Advani (promoter group) to boost research and development activities of the Company in FY 2025-26.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

48. 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, 2026 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:

₹ Crores

Timing of transfer of goods and services	For the year ended March 31, 2026			For the year ended March 31, 2025		
	At a point in time	Over time	Total #	At a point in time	Over time	Total #
Electro -Mechanical Projects and Commercial Air Conditioning Systems	2,619.94	3,787.62	6,407.56	2,170.13	3,523.09	5,693.22
Unitary Products	5,190.12	58.07	5,248.19	5,486.46	49.65	5,536.11
Total	**7,810.06**	**3,845.69**	**11,655.75**	**7,656.59**	**3,572.74**	**11,229.33**

 # Other operating revenue for the year ended March 31, 2026: ₹ 123.48 Crores (March 31, 2025: ₹ 96.42 Crores) is not considered for revenue from contract with customers.

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

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products at transaction price & construction and service contracts at contracted price	11,919.12	11,597.88
Reductions towards variable consideration components*	(263.37)	(272.13)
Revenue recognized of profit and loss	11,655.75	11,325.75

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

3. Revenue recognised relating to performance obligations that were satisfied in a prior year amounted to ₹ Nil (March 31, 2025 ₹ Nil crore).

4. The aggregate value of Order Book as at March 31, 2026, is ₹ 6107 crore (March 31, 2025 ₹ 5,917 Crore). Out of this, the Company expects to recognize revenue of around 60% within the next one year and the remaining thereafter

5. Changes in contract assets and contract liabilities during the reporting period:

₹ Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance - Contract assets (net of impairment)	815.95	684.47
Opening balance - Contract liabilities*	(249.79)	(182.04)
Net contract assets	**566.16**	**502.43**
Add: Revenue recognised during the year	3,845.69	3,572.74
Less: Progress billing during the year	(3,997.13)	(3,509.01)
Closing Balance	**414.72**	**566.16**
Closing balance contract assets (net of impairment)	704.77	815.95
Closing balance contract liabilities including income received in advance	(290.05)	(249.79)
*The Company has recognised revenue out of opening contract liabilities	228.01	168.84

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for the year ended March 31, 2026

49. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE:

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Company
Enviro Clinic Lab Private Limited	U41000DL2014PTC273772	Payable	(0.08)	(0.08)	Vendor
Cooltech Systems Private Limited	U74140DL2014PTC266635	Payable	(0.07)	(0.07)	Vendor
New Tech Infra Engineers	U45201DL2012PTC230791	Payable	(0.06)	(0.06)	Vendor
Ask Solar Private Limited	U40300TN2012PTC088834	Payable	*	(0.04)	Vendor
Vrv Engineers Private Limited	U50101TN2006PTC061058	Payable	*	(0.01)	Vendor
Fortune Metal Facades(Pune) Pvt Ltd	U27109PN2010PTC136584	Payable	(0.01)	(0.01)	Vendor
Saqib Tech India Private Limited	U22212DL2012PTC230515	Payable	*	*	Vendor
Scanstar Inspection Technology Private Limited	U74999TN2011PTC080315	Payable	*	*	Vendor
Pioneer Techno Engineering	U45303OR2012PTC016137	Payable	*	*	Vendor
24X7 Swift Services Private Limited	U74120UP2015PTC072956	Payable	*	*	Vendor
Competent Engineers	U45203DL1981PTC012338	Payable	*	*	Vendor
United Agro Care India Private Limited	U01111PY2007PTC002031	Payable	*	*	Vendor
Jans Ayra Developers Privated Limited	U45400HR2014PTC051982	Payable	*	*	Vendor
Vsm Consulting Services	AAA-2181	Payable	*	*	Vendor
Acme D Ace Marketing Solutions	U93000DL2013PTC252498	Payable	*	*	Vendor
Apple Insulated Wires Private Limited	U31300DN1997PTC000182	Payable	*	*	Vendor
Gourmet King LLP	AAQ-5266	Payable	*	*	Vendor
Reidius Electricals Private Limited	U74999HR2017PTC069448	Payable	*	*	Vendor
UTR Bondings Private Limited	U63000RJ2017PTC057401	Payable	*	*	Vendor
Nabrup Merchant Private Limited	U51109WB2007PTC119741	Payable	*	*	Vendor
S B Infrabuild Private Limited	U45200DL2010PTC206455	Payable	*	*	Vendor
Balicon Engineering & Tec	U93000TN2013PTC090657	Payable	*	*	Vendor
Saim Air Private Limited	U74900UP2014PTC063764	Payable	*	*	Vendor
Glacier Technologies Private Limited	U52334AS2005PTC007954	Payable	*	*	Vendor
Trouble Clear Consumer SroO	U74999DL2016PTC305347	Payable	*	*	Vendor
Stellent Engineering Solution	U74999DL2011PTC221535	Payable	*	*	Vendor
Hi - Volt Engineering Private Limited	U74999TN2012PTC085054	Payable	*	*	Vendor
Y-ARK Consultancy Services	U74120TG2015PTC101075	Payable	*	*	Vendor
Anuhan Construction Private Limited	U45400MH2012PTC235387	Advance to vendor	0.01	*	Vendor
Tonvolt Engineering Private Limited	U74999TN2017PTC118133	Advance to vendor	0.02	*	Vendor
Gold Fox Guardians Private Limited	U74999KA2017PTC103039	Advance to vendor	0.01	0.01	Vendor
Delotus Advaya Holistic Health	U74999UP2016PTC087589	Payable	*	*	Vendor
Skyline Distributors Private Limited	U26931DL1991PTC045481	Payable	*	*	Vendor
HYTECH ACR PRIVATE LIMITED	U74999MH2019PTC320731	Payable	*	-	Vendor
Kenovation Consultancy Private Limited	U72900PN2018PTC180644	Payable	*	-	Vendor
Sai-Meena Calibration Laboratory Private Limited	U29253MH2013PTC243354	Payable	*	-	Vendor

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

49. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Company
Govinda Choudhury & CO Private Limited	U45202OR1996PTC004300	Receivable	-	*	Customer
KMS Electronics Private Limited	U52335WB1994PTC065698	Receivable	-	*	Customer
Fair Electronics & Appliances	U32200MH1997PTC105675	Receivable	-	*	Customer
Ilona Hospitalites Private Limited	U55209KA2017PTC104385	Receivable	-	-	Customer
Air Command Hvac Engineer	U29192TN2007PTC064299	Receivable	*	*	Customer
Vedanta Healthcare Private Limited	U24230MH1996PLC102280	Receivable	-	*	Customer
Kashi Electronics Private Limited	U32101UP1983PTC006139	Receivable	*	*	Customer
Tranquility Industries	U29242PN2013PTC147716	Receivable	*	*	Customer
Associated Aircon Private Limited	U29192DL1999PTC100348	Receivable	*	*	Customer
Skyline Distributors Private Limited	U26931DL1991PTC045481	Receivable	*	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Receivable	*	*	Customer
Perfect Cool Services LLP	AAO-2492	Receivable	*	*	Customer
Congeal Technology Private Limited	U74999KA2017PTC107852	Receivable	*	-	Customer
Micro Flow Contamination	U90001TN2015PTC101441	Receivable	-	*	Customer
Jassbys Chennai Pvt Ltd Sherlock Bar	U55100TN2017PTC115361	Receivable	-	*	Customer
Koolnest Private Limited	U29191KA1996PTC020089	Receivable	*	*	Customer
Shree Ganesh Aircon Engineers	U31909RJ2011PTC037423	Receivable	*	*	Customer
Impactiva Manufacturing Systems India Private Limited	U72900TN2012PTC087866	Receivable	-	*	Customer
Saim Air Private Limited	U74900UP2014PTC063764	Receivable	-	*	Customer
VBR Pacific Private Limited	U51909TN2019PTC130620	Receivable	*	*	Customer
The Minor Food Group (India) Private Limited	U55101DL2014PTC266136	Receivable	-	*	Customer
Sohnatel Hospitalities Private Limited	U55101DL2017PTC317579	Receivable	-	*	Customer
Lahari Resorts	U55103AP1996PTC022911	Receivable	*	*	Customer
Ice Cream Foods Private Limited	U15205MH2009PTC196634	Receivable	-	*	Customer
Concept Bakers Private Limited	U15411TN2010PTC076839	Receivable	*	*	Customer
Drool Foods Private Limited	U55101DL2010PTC208491	Receivable	*	*	Customer
Indo Fill India Limited	U24119DL1981PTC011341	Receivable	-	*	Customer
Serafina New York	U55100TG2013PTC089406	Receivable	-	*	Customer
Welspun India Limited	U99999MH1985PLC035092	Receivable	-	*	Customer
The Scottish High International	U80900DL2009NPL190770	Receivable	*	*	Customer
Adam Exports Private Limited	U17299MH2015PTC263547	Receivable	-	*	Customer
Narayana Multispeciality	U85110MH2011PTC220765	Receivable	-	*	Customer
Shroff eye centre	U85110GJ1997PTC031663	Receivable	-	*	Customer
Digital Infosystem Private Limited	U74200AS1999PTC005900	Receivable	*	*	Customer
Turner And Miller Technology	U72200KA2008PTC047612	Receivable	-	*	Customer
BMK Express Automobiles private limited	U50404TN2010PTC074181	Receivable	-	*	Customer
Factotum Consultancy Service	U74900PN2010PTC136350	Receivable	-	-	Customer
Habitare hotels and Resort	U55101HR2012PTC047878	Receivable	*	*	Customer

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

49. DETAILS OF STRUCK OFF COMPANIES WITH WHOM THE COMPANY HAS TRANSACTION DURING THE YEAR OR OUTSTANDING BALANCE AS ON BALANCE SHEET DATE: (Contd..)

₹ Crores

Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Company
FUNTACY ICY DELIGHTS PRIVATE LIMITED	U15132GA2014PTC007407	Advance from customer	(0.01)	*	Customer
TRANSLANKA AIR TRAVELS	U63040TN2003PTC050381	Receivable	-	-	Customer
NEW GENERATION AUTO P LTD	U99999MH1989PTC050739	Receivable	*	*	Customer
Shamk Mercantile Private Limited	U52331OR2015PTC019261	Receivable	-	*	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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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. 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 31 March 2026 is summarised below:

Particulars	ESOP Plan 2024 - Grant I	ESOP Plan 2024 - Grant II
Grant Date	October 21, 2024	October 31, 2025
Fair value on grant date	1,983.61	1,904.43
Outstanding as on 31 March 2025	**80,660**	**-**
Granted during the year	-	80,431
Transfer In	-	-
Transfer Out	-	-
Forfeited during the period	19,119	-
Exercised during the period	3,182	-
Outstanding as on 31 March 2026	**58,359**	**80,431**
of above - vested outstanding options	11,549	-
of above unvested outstanding options	46,810	80,431

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

51. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

Particulars	ESOP Plan 2024 - Grant I/ESOP Plan 2024 - Grant II
Vesting period	The vesting schedule is as below:
	1st year (first tranche), 25%
	2nd year (second tranche), 25%
	3rd year (third tranche), 25%
	Remaining 25% at the end of 4th year.
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
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 before 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 the Standalone Financial Statements

for the year ended March 31, 2026

51. EMPLOYEE SHARE BASED PAYMENT PLANS (Contd..)

Specific assumptions used in the Black-Scholes Option Pricing Formula for ESOP Plan 2024 - Grant I:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturiy 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%

Specific assumptions used in the Black-Scholes Option Pricing Formula for ESOP Plan 2024 - Grant II:

The table below provides the assumptions used for this valuation

Vesting Period	Stock Price	Exercise Price	Expected maturiy term	Risk free rate of interest	Volatility	Dividend
21-Oct-26	1,937.40	2.00	4.00	6.22%	33.37%	0.345%
21-Oct-27	1,937.40	2.00	4.50	6.24%	32.22%	0.345%
21-Oct-28	1,937.40	2.00	5.00	6.27%	32.18%	0.345%
21-Oct-29	1,937.40	2.00	5.50	6.41%	32.80%	0.345%

During the year, the Company has recognized an expense of ₹ 6.90 crores (March 31, 2025 - ₹ 3.36 crores) which is net of recoveries from subsidiaries of ₹ 0.58 crores.

52. AUTHORISATION FOR THE ISSUE OF THE STANDALONE FINANCIAL STATEMENTS

The Standalone Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 5, 2026 and May 6, 2026.

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 06, 2026

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: investor.helpdesk@in.mpms.mufg.com

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

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, 2026, the Company has 1,11,852 registered shareholders. The Promoters hold 36.49% of the Company's shares.16.56% 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

BLUE STAR